

CITY OF KENNER, LOUISIANA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate at the office of the parish clerk of court.

Release Date **FEB 20 2013**

Submitted by

Department of Finance

DUKE P. McCONNELL, CPA
Chief Financial Officer

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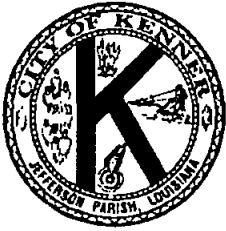
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INTRODUCTORY SECTION



CITY OF KENNER

DEPARTMENT OF FINANCE

MICHAEL S. YENNI
MAYOR

DUKE P. McCONNELL
FINANCE DIRECTOR

December 31, 2012

Honorable Mayor and City Councilpersons
City of Kenner, Louisiana
1801 Williams Boulevard
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the New Orleans International Airport.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.

This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection, sanitation services, the construction and maintenance of highways, streets, and infrastructure, recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and any component units. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no component units currently.

THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report

FINANCIAL INFORMATION

Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2012 are included in the Single Audit Section of this report.

Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 15 for the fiscal year which begins the following July 1. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report.

LOCAL ECONOMY

During the 2011-2012 fiscal year sales taxes, which are the City's largest revenue, decreased slightly and are still lower than they were before the recession that occurred over the last few years. In addition, costs such as insurance, retirement and fuel continue to escalate. In order to address the reduced revenue and cost increases, the City continues to make budget cuts and has now made over \$8 million in budget cuts including the elimination of 129 budgeted positions over a four year period. In addition, the City has been rededicating a portion of its capital funds to operations to help balance the

operating budget. The City previously proposed an increase in property taxes to provide much needed additional revenue however the voters overwhelmingly rejected the proposed increases. During the first six months of the 2012-2013 fiscal year, some months sales taxes have been up while down in other months but continue to show a slight decrease for the year. With sales taxes declining and costs continuing to rise, the City will have to find ways to increase revenues or continue to make budget cuts and rededicate capital funds to operations in order to maintain a balanced budget. There are some positive signs for our economy as there was a recent groundbreaking for the construction of a new state of the art movie theater at the Esplanade Mall and several other potential developments.

LEGAL COMPLIANCE

The Single Audit Act of 1984 (P L 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La R S 24 517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2 28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Duplantier, Hrapmann, Hogan & Maher, L L P., Certified Public Accountants has been included in this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2011. This was the seventeenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Duplantier, Hrapmann, Hogan & Maher, L L P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,



DUKE P. McCONNELL, CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kenner
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting



Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

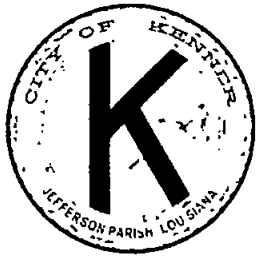
Council President	Michele Branigan
Councilwoman at Large	Jeannie Black
District No 1	Gregory Carroll
District No 2	Joseph Stagni
District No 3	Keith Reynaud
District No 4	Maria DeFrancesch
District No 5	Kent Denapolis

EXECUTIVE STAFF

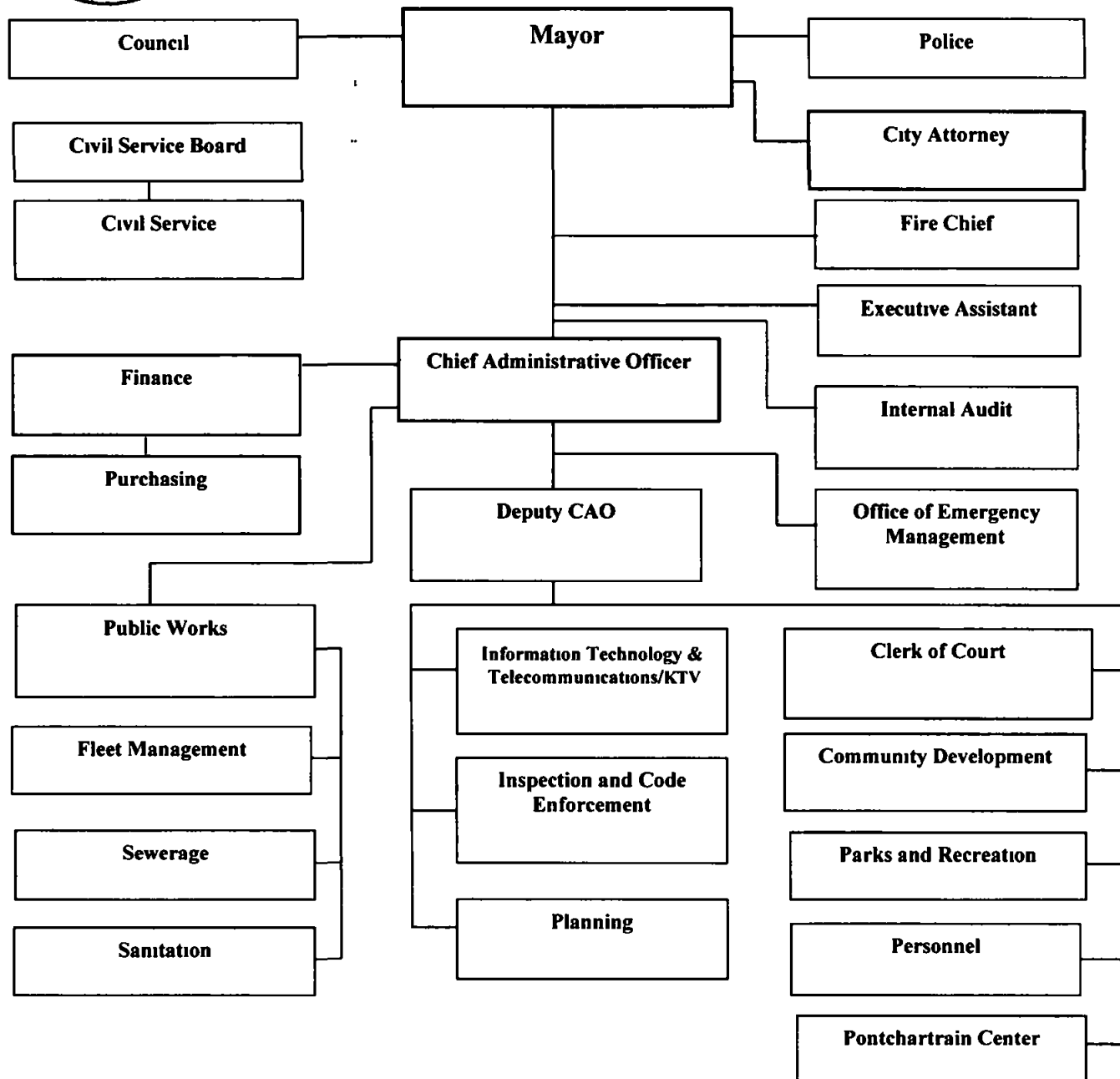
Mayor	Honorable Michael S. Yenni
Chief Administrative Officer	Michael Quigley
Chief of Police	Stephen Caraway
City Attorney	Keith Conley
Deputy Chief Administrative Officer	Natalie Newton
Chief Financial Officer	Duke McConnell

DEPARTMENT HEADS

Inspection and Code Enforcement	Tamitha Shaw
Community Development	Arleeta Terrell
Parks and Recreation	Ken Marroccoli
Human Resources	Wendi Folse
Planning	Jay Hebert
Purchasing	Theresa Nevels
Fire Chief	John Hellmers
Court	Meg Vincent
Information Technology	Valerie Waguespack
Internal Audit	Vacant
Council Clerk	Natalie Hall
Civil Service	Wendy Lorenz
Fleet Management	Ronnie Vitellaro
Public Works	Jose Gonzalez

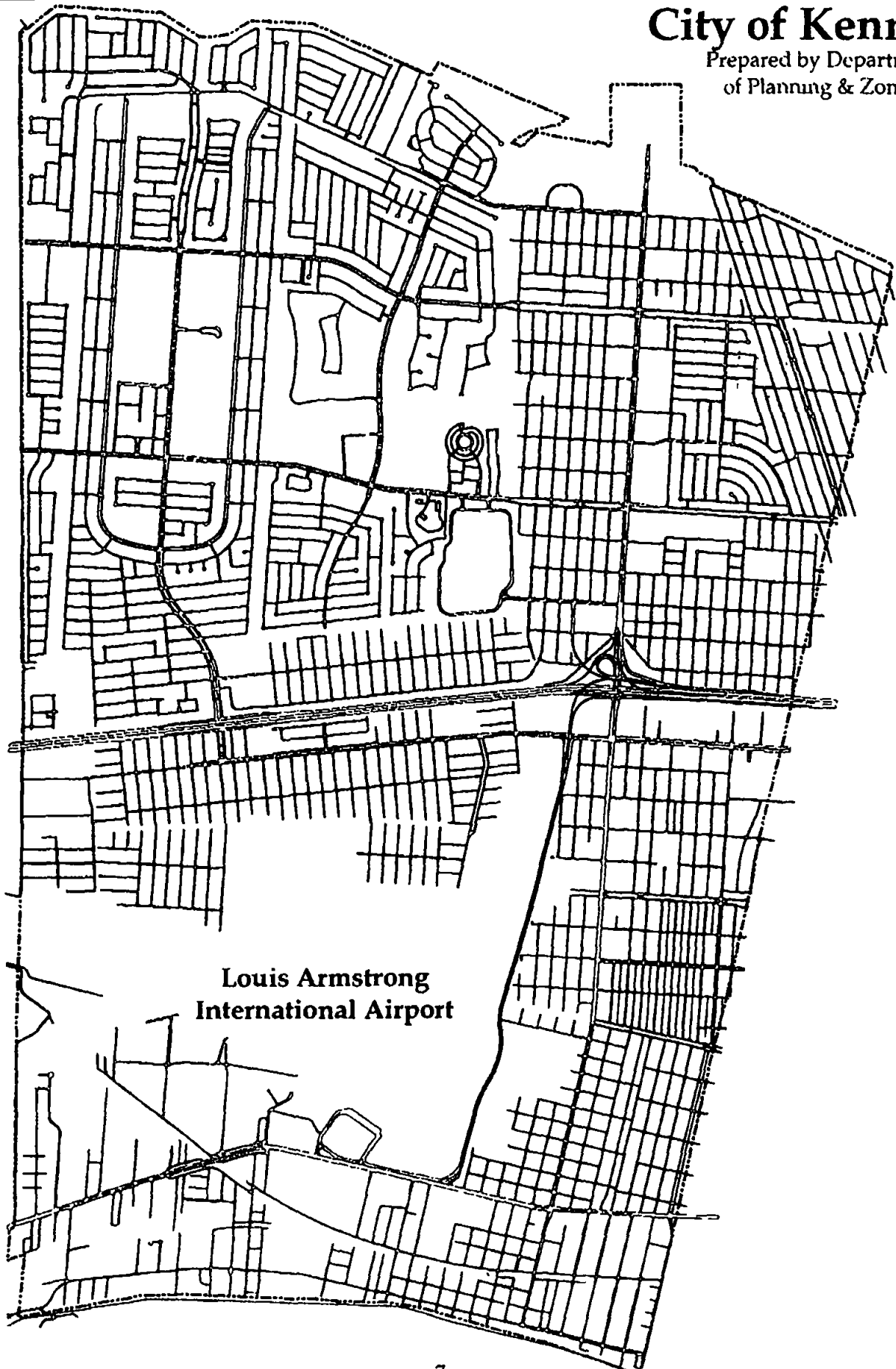


City of Kenner Organization of Government



City of Kenner

Prepared by Department
of Planning & Zoning



Louis Armstrong
International Airport

FINANCIAL SECTION

WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.
ANN H. HEBERT, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L L P.

CERTIFIED PUBLIC ACCOUNTANTS

A.J. DUPLANTIER JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

January 7, 2013

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kenner, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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247 Corporate Drive Houma, LA 70360 (985) 868-2630 Fax (985) 872-3833
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In accordance with *Government Auditing Standards*, we have also issued our report January 7, 2013 on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 15 and the required supplementary information on page 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana's, financial statements as a whole. The introductory section on pages 1-7, the required supplementary information on pages 59-66, the other supplementary information on pages 68-103, and the statistical section on pages 104-126 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The required supplementary information on pages 59-66, the other supplementary information on pages 68-103, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Duplantier, Hrapmann, Hogan & Maher, LLP

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2012. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities by approximately \$281 million at June 30, 2012. Of this amount approximately \$249 million is in capital assets net of related debt.

The City's unrestricted net assets in governmental activities are approximately \$2.7 million, which is an increase due to a surplus, primarily from departmental expenditures coming in under budget.

Business-type activities unrestricted net assets are approximately (\$1.1) million which is a decrease due to revenue from the sewer service charge increase coming in under budget.

The City's total net assets decreased by approximately \$12 million. Net assets of governmental activities decreased by approximately \$14 million due to \$17 million of depreciation and the surplus. Net assets of business-type activities increased by approximately \$1.5 million due to the required reserve fund on the new sewer bonds which was funded from the bond proceeds.

The City's governmental funds reported combined unassigned fund balances of approximately \$6.7 million with approximately \$6.6 million in the general fund. The general funds unassigned fund balance decreased while the general fund had a surplus for the year because a portion of the unassigned fund balance was allocated to balance the 2012-2013 operating budget.

The fund balance in the Capital Projects Funded with bond proceeds increased due to the issuance of \$16 million in sewer bonds for sewerage improvements by the Kenner Consolidated Sewerage District.

The unassigned fund balance of the general fund represents 11% of the City's operating expenditures.

The City's total debt increased by approximately \$13.8 million due to additions of \$19.8 million which was the \$16 million bond issue noted earlier plus the drawdowns on the Louisiana Department of Environmental Quality (LDEQ) loans, less approximately \$6 million in scheduled debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net assets presents information on all of the City's assets, less liabilities, which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

The statement of activities provides information which shows how the City's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities).

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

The City's governmental activities include general government, public safety, public works, cultural and recreation, health and welfare and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has seven major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, Community Development Fund, Fire Protection Fund, General Debt Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The five non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds except for the General Capital Projects funds.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds, and budgetary comparison statements are provided for these funds.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Net assets. The following table reflects condensed information on the City's net assets for the current and prior years

Net Assets June 30, (In thousands)						
	Governmental Activities 2012	Business-type Activities 2012	Total 2012	Governmental Activities 2011	Business-type Activities 2011	Total 2011
Assets						
Current and other assets	\$ 56,253	\$ 4,932	\$ 61,185	\$ 40,274	\$ 129	\$ 40,403
Capital assets	<u>236,248</u>	<u>72,572</u>	<u>308,820</u>	<u>251,291</u>	<u>70,675</u>	<u>321,966</u>
Total assets	<u>292,501</u>	<u>77,504</u>	<u>370,005</u>	<u>291,565</u>	<u>70,804</u>	<u>362,369</u>
Liabilities						
Long-term outstanding debt	71,587	-	71,587	57,085	-	57,085
Other liabilities	<u>11,866</u>	<u>6,019</u>	<u>17,885</u>	<u>11,342</u>	<u>838</u>	<u>12,180</u>
Total liabilities	<u>83,453</u>	<u>6,019</u>	<u>89,472</u>	<u>68,427</u>	<u>838</u>	<u>69,265</u>
Net assets						
Invested in capital assets, net of related debt	176,583	72,572	249,155	205,361	70,675	276,036
Restricted	29,773	-	29,773	17,904	-	17,904
Unrestricted	<u>2,692</u>	<u>(1,087)</u>	<u>1,605</u>	<u>(127)</u>	<u>(709)</u>	<u>(836)</u>
Total net assets	<u>\$ 209,048</u>	<u>\$ 71,485</u>	<u>\$ 280,533</u>	<u>\$ 223,138</u>	<u>\$ 69,966</u>	<u>\$ 293,104</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Changes in net assets. The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years

Changes in Net Assets June 30, (In thousands)						
	Governmental Activities 2012	Business-type Activities 2012	Total 2012	Governmental Activities 2011	Business-type Activities 2011	Total 2011
Revenues						
Program revenues						
Charges for services	\$ 16,751	\$ 7,112	\$ 23,863	\$ 15,959	\$ 5,658	\$ 21,617
Operating grants & Contributions	1,529	-	1,529	2,498	-	2,498
Capital grants & Contributions	7,239	5,382	12,621	1,811	6,706	8,517
General revenues						
Property taxes	7,877	524	8,401	7,940	513	8,453
Sales taxes	30,371	304	30,675	30,788	340	31,128
Other taxes	10,012	403	10,415	10,165	422	10,587
Grants & contributions not restricted to specific program	165	14	179	314	1	315
Other	273	13	286	248	1	249
Total revenues	<u>74,217</u>	<u>13,752</u>	<u>87,969</u>	<u>69,723</u>	<u>13,641</u>	<u>83,364</u>
Program expenses						
General government	13,518	-	13,518	13,332	-	13,332
Public safety	30,121	-	30,121	28,981	-	28,981
Public works	31,743	-	31,743	36,658	-	36,658
Health and welfare	479	-	479	756	-	756
Culture and recreation	6,075	-	6,075	7,066	-	7,066
Transit & urban development	5,066	-	5,066	1,537	-	1,537
Miscellaneous	-	-	-	-	-	-
Interest on long term debt	1,697	-	1,697	1,688	-	1,688
Sewer operations	-	8,482	8,482	-	7,233	7,233
Civic center operations	-	3,359	3,359	-	3,321	3,321
Total expenses	<u>88,699</u>	<u>11,841</u>	<u>100,540</u>	<u>90,018</u>	<u>10,554</u>	<u>100,572</u>
Change in net assets before Transfer and Extraordinary Items	<u>(14,482)</u>	<u>1,911</u>	<u>(12,571)</u>	<u>(20,295)</u>	<u>3,087</u>	<u>(17,208)</u>
Transfers	<u>392</u>	<u>(392)</u>	<u>-</u>	<u>1,204</u>	<u>(1,204)</u>	<u>-</u>
Change in net assets before Extraordinary Items	<u>(14,090)</u>	<u>1,519</u>	<u>(12,571)</u>	<u>(19,091)</u>	<u>1,883</u>	<u>(17,208)</u>
Extraordinary Items						
Gain on disposal of capital assets	-	-	-	86	-	86
Loss on Insurance Settlement	-	-	-	-	-	-
Change in net assets	<u>(0)</u>	<u>0</u>	<u>(0)</u>	<u>(19,005)</u>	<u>1,883</u>	<u>(17,122)</u>
Net assets-beginning of year	<u>223,138</u>	<u>69,966</u>	<u>293,104</u>	<u>242,143</u>	<u>68,083</u>	<u>310,226</u>
Net assets-end of year	<u>\$ 209,048</u>	<u>\$ 71,485</u>	<u>\$ 280,533</u>	<u>\$ 223,138</u>	<u>\$ 69,966</u>	<u>\$ 293,104</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2012 for its governmental and business-type activities was approximately \$309 million, net of depreciation as reflected in the schedule below

**Capital Assets
June 30, 2012
(Net of depreciation in thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 9,674	\$ 3,799	\$ 13,473
Construction in progress	18,539	16,910	35,449
Buildings	21,972	47,242	69,214
Improvements other than buildings	5,200	228	5,428
Equipment	8,274	4,393	12,667
Infrastructure	<u>172,588</u>	<u>-</u>	<u>172,588</u>
Total	<u>\$ 236,247</u>	<u>\$ 72,572</u>	<u>\$ 308,819</u>

The majority of the capital additions for the year were for sewerage improvements as the City continued a major program to upgrade the City's sewerage system funded with funds loaned from the Louisiana Department of Environmental Quality and bonds issued. The City also purchased two (2) new fire trucks and additional police vehicles to enhance public safety. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

Long-term debt. At year-end, the City had approximately \$67 million in long-term debt as shown in the table below

**Outstanding long-term debt
June 30, 2012
(In thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenue bonds	\$ 20,009	\$ -	\$ 20,009
Certificates of indebtedness	-	-	-
Note payable	42,055	-	42,055
Mortgage payable	-	-	-
Other	<u>4,598</u>	<u>-</u>	<u>4,598</u>
Total	<u>\$ 66,662</u>	<u>\$ -</u>	<u>\$ 66,662</u>

The City's total long-term debt increased by approximately \$13.8 million, which was explained earlier.

The City's sales tax bonds are rated B, negative outlook by Standard and Poor's based on the bond insurance policy issued by MBIA Insurance Corporation. The City has not obtained an underlying rating of these bonds.

The 2011 Sewer bonds have an underlying rating of A and an insured rating of AA- from Standard and Poor's.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately \$200 million of additional general obligation bonded debt is available for issuance. See note

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

"I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt

Revenues excluding grants and the sewer service charges decreased slightly and are still lower than the level prior to the recession. The cost of providing services continue to rise and although the City continues to make budget cuts, including \$2.3 million for the 2011/2012 fiscal year, it was necessary for the City to continue to rededicate a portion of the City's capital funds, approximately \$540,000 rededicated for the 2011/2012 fiscal year, to balance the operating budget to avoid reductions in services.

The City strives to maintain an unassigned fund balance in the general fund of approximately 10% of operating expenses. The fund balance is needed to help the city meet any unforeseen expenditures such as major storms, etc. and to meet the city's cash flow needs as several services are financed using property tax millages such as garbage services and fire protection and the property taxes are not collected until the middle of the fiscal year. As noted earlier the unassigned fund balance in the general fund decreased slightly this year to approximately 11% of operating expenses.

The City's governmental expenditures decreased by approximately \$1.3 million, primarily due to reductions in departmental operating expenditures. The City's business-type activities expenditures increased by approximately \$1.3 million primarily due to additional repairs and maintenance on the sewer system.

The city also continues to rebuild damaged facilities from hurricane Katrina with funding received from FEMA.

BUDGETARY HIGHLIGHTS

General fund revenues came in higher than the budget due to fines and permits coming in higher than anticipated.

General fund expenditures were under budget due to the City's emphasis on controlling costs and monitoring expenses.

ECONOMIC OUTLOOK

Sales taxes, the city's primary revenue, are very volatile and are slowly declining and costs continue to rise. While there are some positive developments which may improve the City's economy, without increased revenues the City will have to continue make budget cuts which will affect the level of services provided to our citizens or continue rededicating capital funds to operations thereby hampering the City's ability to maintain the City's infrastructure.

In August of 2012, hurricane Isaac struck the City causing significant damages and costs to the City. Only 75% of the \$4.5 million of damages and costs incurred will be recovered from insurance and/or federal disaster aid. The City will have to provide the funds for the remaining \$1.1 million.

The city continues to be under a compliance order from the Louisiana Department of Environmental Quality, which will require substantial improvements to the sewer system. In November of 2010 the city council approved an increase in the city's sewer service charge over four years to adequately fund the city's sewerage operation and to debt service the additional financing that would be needed to make the necessary capital improvements to upgrade the sewer system. The City issued the following debt to fund the required improvements: 1) in November of 2009, a \$22 million low interest loan received from the Louisiana Department of Environmental Quality (LDEQ), 2) in November of 2011, a \$16 million bond issue, and 3) in November of 2012, a \$21 million low interest loan received from the Louisiana Department of Environmental Quality (LDEQ) which is expected to be the final debt issued under this program. These necessary repairs and improvements are expected to bring the sewerage system back into compliance.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 20,961,679	\$ 1,912,243	\$ 22,873,922
Equity in pooled cash	3,899,264	-	3,899,264
Investments	7,289,511	1,001,659	8,291,170
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,143,649	-	1,143,649
Accounts	3,689,738	-	3,689,738
Intergovernmental	10,813,542	222,519	11,036,061
Special assessments - delinquent	473	-	473
Interest	543,876	-	543,876
Service charges	-	1,714,444	1,714,444
Other	1,257,582	33,332	1,290,914
Internal balances	5,115,650	-	5,115,650
Inventory, at cost	46,309	-	46,309
Prepaid items	481,046	44,291	525,337
Deferred charges	1,010,556	-	1,010,556
Refundable deposits	-	3,669	3,669
Capital assets not being depreciated	28,213,360	20,708,483	48,921,843
Capital assets being depreciated, net of accumulated depreciation	<u>208,034,441</u>	<u>51,864,111</u>	<u>259,898,552</u>
Total assets	<u>292,500,676</u>	<u>77,504,751</u>	<u>370,005,427</u>
LIABILITIES			
Accounts payable	3,349,128	593,490	3,942,618
Estimated claims payable	4,827,102	-	4,827,102
Contracts payable	1,230	-	1,230
Retainages payable	50,484	-	50,484
Accrued liabilities	1,766,366	34,523	1,800,889
Internal balances	-	5,115,650	5,115,650
Deposits on future events	-	203,875	203,875
Due to other governments	1,332,905	-	1,332,905
Uncollected revenue	359,310	71,903	431,213
Other liabilities	179,751	-	179,751
Current portion of long-term debt	8,021,197	-	8,021,197
Non-current liabilities			
Due in more than one year	<u>63,565,488</u>	<u>-</u>	<u>63,565,488</u>
Total liabilities	<u>83,452,961</u>	<u>6,019,441</u>	<u>89,472,402</u>
NET ASSETS			
Invested in capital assets, net of related debt	176,582,658	72,572,594	249,155,252
Restricted for			
Capital projects	25,374,542	-	25,374,542
Debt service	4,398,238	-	4,398,238
Unrestricted	<u>2,692,277</u>	<u>(1,087,284)</u>	<u>1,604,993</u>
Total net assets	<u>\$ 209,047,715</u>	<u>\$ 71,485,310</u>	<u>\$ 280,533,025</u>

The accompanying notes are an integral part of this statement

**CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 13,518,067	\$ 8,101,475	\$ 406,247	\$ 13,557	\$ (4,996,788)	\$ -	\$ (4,996,788)
Public safety	30,120,747	3,529,877	899,175	582	(25,691,113)	-	(25,691,113)
Public works	31,743,384	3,975,986	-	3,128,415	(24,638,983)	-	(24,638,983)
Health and welfare	478,916	48,169	-	-	(430,747)	-	(430,747)
Culture and recreation	6,075,269	1,052,739	-	-	(5,022,530)	-	(5,022,530)
Transit and urban development	5,065,979	42,864	223,490	4,096,369	(703,256)	-	(703,256)
Interest on long-term debt and other charges	1,696,804	-	-	-	(1,696,804)	-	(1,696,804)
Total Governmental Activities	88,699,166	16,751,110	1,528,912	7,238,923	(63,180,221)	-	(63,180,221)
Business-type Activities							
Wastewater Operations	8,482,102	5,670,289	-	5,381,768	-	2,569,955	2,569,955
Civic Center Operations	3,359,257	1,441,990	-	-	-	(1,917,267)	(1,917,267)
Total Business-type Activities	11,841,359	7,112,279	-	5,381,768	-	652,688	652,688
Total	\$ 100,540,525	\$ 23,863,389	\$ 1,528,912	\$ 12,620,691	(63,180,221)	652,688	(62,527,533)
General Revenues							
Taxes							
Ad valorem					7,876,865	524,658	8,401,523
Sales and use					30,371,384	304,110	30,675,494
Beer tax					77,787	-	77,787
Parking					2,007,642	-	2,007,642
Franchise					7,926,562	403,104	8,329,666
Grants and contributions not restricted to specific programs					164,992	13,835	178,827
Investment earnings					35,278	4,453	39,731
Miscellaneous					237,907	8,872	246,779
Transfers					392,024	(392,024)	-
Total general revenues and transfers					49,090,441	867,008	49,957,449
Change in Net Assets					(14,089,780)	1,519,696	(12,570,084)
Net assets - beginning of year					223,137,495	69,965,614	293,103,109
Net assets - end of year					\$ 209,047,715	\$ 71,485,310	\$ 280,533,025

The accompanying notes are an integral part of this statement

**CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>FIRE PROTECTION</u>
ASSETS				
Cash	\$ 2,652,420	\$ -	\$ 80,850	\$ -
Equity in pooled cash	561,781	-	1,085,570	123,453
Investments	3,299,310	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Taxes	1,143,649	-	-	-
Accounts	2,827,177	-	-	72,160
Intergovernmental	3,434,561	1,812,990	21,634	49,864
Special assessments - delinquent	473	-	-	-
Interest	544,850	-	-	-
Other	-	-	513	201
Due from other funds	14,758,619	130,294	-	576,702
Inventory, at cost	46,309	-	-	-
Prepaid items	481,046	-	-	-
Total assets	<u>\$ 29,750,195</u>	<u>\$ 1,943,284</u>	<u>\$ 1,188,567</u>	<u>\$ 822,380</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,602,082	\$ -	\$ -	\$ 4,933
Contracts payable	-	-	1,230	-
Retainages payable	-	-	-	-
Accrued liabilities	1,125,892	-	31,668	229,689
Due to other funds	10,816,087	1,943,284	95,203	104,637
Due to other governments	1,332,905	-	-	-
Deferred revenues	975,898	-	-	461,691
Other liabilities	179,751	-	-	-
Total liabilities	<u>16,032,615</u>	<u>1,943,284</u>	<u>128,101</u>	<u>800,950</u>
Fund balances				
Nonspendable				
Prepaid items	481,046	-	-	-
Inventory	46,309	-	-	-
Restricted				
Federal grants	-	-	1,060,466	-
Debt service	-	-	-	-
Capital projects	556,546	-	-	-
Law Enforcement	1,629,659	-	-	-
Committed				
Encumbrances	939,732	-	-	21,430
Other commitments	-	-	-	-
Assigned				
Subsequent year's expenditures	3,502,878	-	-	-
Unassigned	6,561,410	-	-	-
Total fund balances	<u>13,717,580</u>	<u>-</u>	<u>1,060,466</u>	<u>21,430</u>
Total liabilities and fund balances	<u>\$ 29,750,195</u>	<u>\$ 1,943,284</u>	<u>\$ 1,188,567</u>	<u>\$ 822,380</u>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 2,353,827	\$ 685,935	\$ 14,346,679	\$ 8,461	\$ 20,128,172
59,446	1,331,581	-	730,664	3,892,495
990,928	2,999,272	1 00	-	7,289,511
-	-	-	-	1,143,649
-	-	-	790,401	3,689,738
675,642	1,427,093	3,391,758	-	10,813,542
-	-	-	-	473
(974)	-	-	-	543,876
-	1,256,824	-	37	1,257,575
-	9,118,928	852,111	378,405	25,815,059
-	-	-	-	46,309
-	-	-	-	481,046
<u>\$ 4,078,869</u>	<u>\$ 16,819,633</u>	<u>\$ 18,590,549</u>	<u>\$ 1,907,968</u>	<u>\$ 75,101,445</u>
\$ -	\$ 944,374	\$ 320,496	\$ 470,370	\$ 3,342,255
-	-	-	-	1,230
-	24,628	25,856	-	50,484
-	-	-	48,051	1,435,300
419,602	2,205,508	4,244,152	348,716	20,177,189
-	-	-	-	1,332,905
-	-	294,314	117,695	1,849,598
-	-	-	-	179,751
<u>419,602</u>	<u>3,174,510</u>	<u>4,884,818</u>	<u>984,832</u>	<u>28,368,712</u>
-	-	-	-	481,046
-	-	-	-	46,309
-	-	-	165,063	1,225,529
3,659,267	-	-	738,971	4,398,238
-	11,668,811	13,705,731	-	25,931,088
-	-	-	-	1,629,659
-	1,976,312	-	19,102	2,956,576
-	-	-	-	-
-	-	-	-	3,502,878
-	-	-	-	6,561,410
<u>3,659,267</u>	<u>13,645,123</u>	<u>13,705,731</u>	<u>923,136</u>	<u>46,732,733</u>
<u>\$ 4,078,869</u>	<u>\$ 16,819,633</u>	<u>\$ 18,590,549</u>	<u>\$ 1,907,968</u>	<u>\$ 75,101,445</u>

**CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Fund balances - total governmental funds	\$ 46,732,733
Amounts reported for governmental activities in the Statement of Net Assets are different because	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	236,247,801
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(4,515,916)
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	1,490,292
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Accrued interest payable	(331,066)
Compensated absences	(4,597,502)
OPEB Payable	(4,924,569)
Bonds, notes and loans payable (net of premiums, discounts and deferred charges)	<u>(61,054,058)</u>
Net assets of governmental activities	<u><u>\$ 209,047,715</u></u>

The accompanying notes are an integral part of this statement

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>FIRE PROTECTION</u>
REVENUES				
Taxes	\$ 24,607,733	\$ 11,017,743	\$ -	\$ 4,421,902
Licenses and permits	3,462,423	-	-	-
Intergovernmental	2,396,298	-	223,490	47,179
Charges for services	1,525,717	-	-	582
Fines and forfeitures	2,885,847	-	-	-
Interest	(4,288)	-	-	(222)
Miscellaneous	476,939	-	-	1,468
	<u>35,350,669</u>	<u>11,017,743</u>	<u>223,490</u>	<u>4,470,909</u>
Total revenues				
EXPENDITURES				
Current				
General government	10,665,273	-	-	-
Public safety	18,389,132	-	-	6,940,515
Public works	2,832,024	-	-	-
Health and welfare	384,177	-	-	-
Culture and recreation	4,013,605	-	-	-
Transit and urban development	357,888	-	705,922	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Agent fees	-	-	-	-
Debt issuance costs	-	-	-	-
Miscellaneous	-	-	-	-
	<u>36,642,099</u>	<u>-</u>	<u>705,922</u>	<u>6,940,515</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(1,291,430)</u>	<u>11,017,743</u>	<u>(482,432)</u>	<u>(2,469,606)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,718,006	-	495,263	2,470,079
Transfers out	(7,294,296)	(11,017,743)	-	-
Premium on bonds issued	-	-	-	-
Long-term debt issued	-	-	-	-
	<u>2,423,710</u>	<u>(11,017,743)</u>	<u>495,263</u>	<u>2,470,079</u>
Total other financing sources and uses				
Net change in fund balances	1,132,280	-	12,831	473
Fund balances - beginning of year	<u>12,585,300</u>	<u>-</u>	<u>1,047,635</u>	<u>20,957</u>
Fund balances - end of year	<u>\$ 13,717,580</u>	<u>\$ -</u>	<u>\$ 1,060,466</u>	<u>\$ 21,430</u>

The accompanying notes are an integral part of this statement

GENERAL DEBT	GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 4,068,698	\$ -	\$ -	\$ 3,706,689	\$ 47,822,765
-	-	-	-	3,462,423
-	7,173,687	-	-	9,840,654
-	-	-	2,745,907	4,272,206
-	-	-	-	2,885,847
136	(294)	9,847	9	5,188
-	375,435	-	-	853,842
<u>4,068,834</u>	<u>7,548,828</u>	<u>9,847</u>	<u>6,452,605</u>	<u>69,142,925</u>
-	209,215	-	-	10,874,488
-	1,088,412	-	-	26,418,059
-	4,245,341	4,184,540	6,888,665	18,150,570
-	-	-	-	384,177
-	561,880	-	-	4,575,485
-	3,980,756	-	-	5,044,566
4,384,000	-	-	1,560,643	5,944,643
960,970	-	-	650,540	1,611,510
-	-	-	-	-
-	-	417,120	-	417,120
36,000	-	-	-	36,000
<u>5,380,970</u>	<u>10,085,604</u>	<u>4,601,660</u>	<u>9,099,848</u>	<u>73,456,618</u>
<u>(1,312,136)</u>	<u>(2,536,776)</u>	<u>(4,591,813)</u>	<u>(2,647,243)</u>	<u>(4,313,693)</u>
1,615,224	4,235,012	-	2,661,544	21,195,128
(16,779)	(1,374,353)	(1,100,750)	-	(20,803,921)
-	-	190,707	-	190,707
-	-	19,603,953	-	19,603,953
<u>1,598,445</u>	<u>2,860,659</u>	<u>18,693,910</u>	<u>2,661,544</u>	<u>20,185,867</u>
286,309	323,883	14,102,097	14,301	15,872,174
<u>3,372,958</u>	<u>13,321,240</u>	<u>(396,366)</u>	<u>908,835</u>	<u>30,860,559</u>
<u>\$ 3,659,267</u>	<u>\$ 13,645,123</u>	<u>\$ 13,705,731</u>	<u>\$ 923,136</u>	<u>\$ 46,732,733</u>

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances, total governmental funds \$ 15,872,174

Amounts reported for governmental activities in the Statement of Activities
are different because

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital outlays	2,476,948
Depreciation expense	(17,520,176)

Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds	(95,690)
---	----------

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	(13,482,190)
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Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities compensated absences are expensed as they are accrued. This is the change in the compensated absence liability	(15,697)
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Payment of other post employment benefits is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities other post employment benefits are expensed as they are accrued. This is the change in the other post employment liability	(751,083)
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Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities	(574,066)
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Change in net assets of governmental activities	\$ (14,089,780)
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The accompanying notes are an integral part of this statement

**CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
ASSETS				
Current assets				
Cash	\$ 1,347,547	\$ 564,696	\$ 1,912,243	\$ 833,506
Equity in pooled cash	-	-	-	6,770
Investments	-	1,001,659	1,001,659	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	-	-	-	-
Intergovernmental	173,276	49,243	222,519	-
Service charges	1,697,210	17,234	1,714,444	-
Other	-	33,332	33,332	-
Due from other funds	296,744	-	296,744	-
Prepaid expenses	44,291	-	44,291	-
Refundable deposits	3,669	-	3,669	-
Total current assets	<u>3,562,737</u>	<u>1,666,164</u>	<u>5,228,901</u>	<u>840,276</u>
Noncurrent assets				
Capital assets				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	81,202,064	20,111,931	101,313,995	-
Improvements other than buildings	-	1,754,533	1,754,533	-
Furniture and fixtures	13,319,446	4,062,156	17,381,602	-
Vehicles and field equipment	1,344,350	-	1,344,350	-
Construction in progress	16,909,757	-	16,909,757	-
Less accumulated depreciation	<u>(56,352,012)</u>	<u>(13,578,357)</u>	<u>(69,930,369)</u>	<u>-</u>
Total capital assets, net	<u>56,423,605</u>	<u>16,148,989</u>	<u>72,572,594</u>	<u>-</u>
Total noncurrent assets	<u>56,423,605</u>	<u>16,148,989</u>	<u>72,572,594</u>	<u>-</u>
Total assets	<u>\$ 59,986,342</u>	<u>\$ 17,815,153</u>	<u>\$ 77,801,495</u>	<u>\$ 840,276</u>

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	ACTIVITIES INTERNAL SERVICE FUNDS
LIABILITIES				
Current liabilities				
Accounts payable	\$ 253,257	\$ 340,232	\$ 593,489	\$ 6,870
Retainage payable	-	-	-	-
Estimated claims payable	-	-	-	4,827,102
Current portion of mortgage payable	-	-	-	-
Accrued liabilities	-	34,523	34,523	-
Deposits on future events	-	203,875	203,875	-
Due to other funds	4,367,105	1,045,289	5,412,394	522,220
Deferred revenue	71,904	-	71,904	-
Total current liabilities	4,692,266	1,623,919	6,316,185	5,356,192
NET ASSETS				
Invested in capital assets	56,423,605	16,148,989	72,572,594	-
Restricted	-	-	-	-
Unrestricted	(1,129,529)	42,245	(1,087,284)	(4,515,916)
Total net assets	\$ 55,294,076	\$ 16,191,234	\$ 71,485,310	\$ (4,515,916)

The accompanying notes are an integral part of this statement

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u>	<u>CIVIC</u>		<u>ACTIVITIES</u>
	<u>WASTEWATER</u>	<u>CENTER</u>		<u>INTERNAL</u>
	<u>OPERATIONS</u>	<u>OPERATIONS</u>	<u>TOTAL</u>	<u>SERVICE</u>
				<u>FUNDS</u>
OPERATING REVENUES				
Charges for services	\$ 5,670,289	\$ 1,441,990	\$ 7,112,279	\$ 5,173,463
Miscellaneous	-	8,872	8,872	-
Total operating revenues	<u>5,670,289</u>	<u>1,450,862</u>	<u>7,121,151</u>	<u>5,173,463</u>
OPERATING EXPENSES				
Supplies and other expenses	99	27,492	27,591	-
Building and maintenance expenses	56,918	706,862	763,780	-
Outside services	5,803,143	1,312,371	7,115,514	106,366
Insurance claims	-	-	-	1,015,116
Insurance premiums	-	85,885	85,885	4,623,526
Depreciation	2,273,640	1,210,422	3,484,062	-
Other	15,427	16,225	31,652	-
Total operating expenses	<u>8,149,227</u>	<u>3,359,257</u>	<u>11,508,484</u>	<u>5,745,008</u>
Operating income (loss)	<u>(2,478,938)</u>	<u>(1,908,395)</u>	<u>(4,387,333)</u>	<u>(571,545)</u>
NON-OPERATING REVENUES				
(EXPENSES)				
Ad valorem taxes	524,658	-	524,658	-
Hotel/motel taxes	-	304,110	304,110	-
Cable television franchise fees	-	403,104	403,104	-
Intergovernmental	13,835	-	13,835	-
Interest income	957	3,496	4,453	(2,521)
Interest expense	(332,875)	-	(332,875)	-
Gain on disposal of assets	-	-	-	-
Total non-operating revenues	<u>206,575</u>	<u>710,710</u>	<u>917,285</u>	<u>(2,521)</u>
Income (loss) before contributions, transfers and extraordinary item	<u>(2,272,363)</u>	<u>(1,197,685)</u>	<u>(3,470,048)</u>	<u>(574,066)</u>
Capital contributions	5,381,768	-	5,381,768	-
Transfers in (out)	<u>684,753</u>	<u>(1,076,777)</u>	<u>(392,024)</u>	<u>-</u>
Change in net assets	3,794,158	(2,274,462)	1,519,696	(574,066)
Net assets - beginning of year	<u>51,499,918</u>	<u>18,465,696</u>	<u>69,965,614</u>	<u>(3,941,850)</u>
Net assets - end of year	<u>\$ 55,294,076</u>	<u>\$ 16,191,234</u>	<u>\$ 71,485,310</u>	<u>\$ (4,515,916)</u>

The accompanying notes are an integral part of this statement

**CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 5,433,816	\$ 1,443,530	\$ 6,877,346	\$ 5,173,463
Payments to suppliers	(5,899,560)	(2,041,545)	(7,941,105)	(5,919,806)
Internal activity - payments (to)/from other funds	761,580	1,935,869	2,697,449	(60,936)
Net cash provided (used) by operating activities	295,836	1,337,854	1,633,690	(807,279)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Ad valorem taxes	524,658	-	524,658	-
Hotel/motel taxes	-	357,488	357,488	-
Cable television franchise fees	-	404,221	404,221	-
Internal activity - receipts from other funds	-	-	-	21,891
Net cash provided by noncapital financing activities	524,658	761,709	1,286,367	21,891
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES.				
Intergovernmental	13,835	-	13,835	-
Principal payments - mortgage payable	-	-	-	-
Insurance proceeds on capital assets	-	-	-	-
Internal activity - payments from (to) other funds	684,755	(1,076,777)	(392,022)	-
Purchase of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	698,590	(1,076,777)	(378,187)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	-	-	-	1,045,678
Purchase of investments	-	(1,001,659)	(1,001,659)	(707,809)
Interest expense	(332,875)	-	(332,875)	-
Interest and dividends received	957	3,497	4,454	(2,396)
Net cash provided (used) by investing activities	(331,918)	(998,162)	(1,330,080)	335,473
Net increase (decrease) in cash and cash equivalents	1,187,166	24,624	1,211,790	(449,915)
Cash and cash equivalents, beginning of year	160,381	540,072	700,453	1,290,191
Cash and cash equivalents, end of year	\$ 1,347,547	\$ 564,696	\$ 1,912,243	\$ 840,276

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
Reconciliation to Statement of Net Assets				
Cash	\$ 1,347,547	\$ 564,696	\$ 1,912,243	\$ 833,506
Equity in pooled cash	-	-	-	6,770
Cash and cash equivalents, end of year	<u>\$ 1,347,547</u>	<u>\$ 564,696</u>	<u>\$ 1,912,243</u>	<u>\$ 840,276</u>
Reconciliation of operating income to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (2,478,938)	\$ (1,908,395)	\$ (4,387,333)	\$ (571,545)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	2,273,640	1,210,422	3,484,062	-
Change in current assets and current liabilities				
Decrease (increase) in receivables	(231,810)	5,236	(226,574)	-
Decrease (increase) in due from other funds	(8,179)	-	(8,179)	-
Decrease (increase) in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	(23,974)	114,328	90,354	6,869
Increase (decrease) in deferred revenue	(4,664)	-	(4,664)	-
Increase (decrease) in accrued liabilities	-	(7,037)	(7,037)	-
Increase (decrease) in estimated claims payable	-	-	-	(181,667)
Increase (decrease) in due to other funds	769,761	1,935,869	2,705,630	(60,936)
Increase (decrease) in deposits on future events	-	(12,568)	(12,568)	-
Total adjustments	<u>2,774,774</u>	<u>3,246,250</u>	<u>6,021,024</u>	<u>(235,734)</u>
Net cash provided by (used for) operating activities	<u>\$ 295,836</u>	<u>\$ 1,337,855</u>	<u>\$ 1,633,691</u>	<u>\$ (807,279)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital	\$ 5,381,768	\$ -	\$ 5,381,768	\$ -
Acquisitions of property, plant and equipment through capital contributions	(5,381,768)	-	(5,381,768)	-
Gain on fair market value of investments	-	1,909	1,909	-
(Increase) in fair market value of investments	-	(1,909)	(1,909)	-
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

**CITY OF KENNER, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012**

	AIRPORT SALES TAX FUND
	<hr/>
ASSETS	
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	<hr/> 261,423
 Total assets	 \$ 261,423 <hr/> <hr/>
LIABILITIES	
Due to other governments	<hr/> \$ 261,423
 Total liabilities	 \$ 261,423 <hr/> <hr/>

The accompanying notes are an integral part of this statement

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1 REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

2 GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another fund.

The *One Percent Sales Tax of 1984 Fund* accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

The *Community Development Block Grant Fund* accounts for grants received from the Federal Community Development Block Grant Program. For 2012, the assets, liabilities, revenue and expenses of construction projects funded by Community Development Block Grants are combined with similar activities for reporting purposes and are included in amounts shown for the General Capital Projects Fund in these financial statements. In prior years, these amounts were reported in the Community Development Block Grant Fund.

The *Fire Protection Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by this fund.

The *General Debt Fund* accounts for the tax levy needed to comply with the interest and principal redemption requirements of bond indentures for the following excess revenue and sales tax bonds:

Sales Tax Bonds Series 1994
Sales Tax Bonds Series 1995A
Sales Tax Bonds Series 2003
Certificates of Indebtedness Series 2001
Taxable Sewer Bonds Series 2009

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Department of Wastewater Operations Fund. Also included are projects funded by riverboat fees.

The *Capital Projects Funded with Bond Proceeds* accounts for projects originally funded by the 1987A Series Bond proceeds, the 1987B Series Bond proceeds, and the 1988 Series Bond proceeds. These bonds were refunded by the Sales Tax Refunding Bonds, Series 1992 and subsequently by the Sales Tax Bonds Series 2003. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA), proceeds from the Excess Revenue Bonds Series 2001 and Sewer Revenue Bonds Series 2011.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The City reports the following major proprietary funds

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner. Effective July 1, 1995, this department was privatized.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

The City reports one fiduciary fund, which is an agency fund and it accounts for assets held by the City as an agent for other governmental entities.

The Airport Sales Tax Fund (agency fund) is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets.

Additionally, the City reports the following fund types

Internal service funds account for health insurance and self insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports uncollected revenue on its governmental fund balance sheet. Uncollected revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenue is removed from the governmental fund balance sheet and revenue is recognized.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4 BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included as either required supplementary information or other supplementary information for the following funds:

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Roads and Bridges
- Streets and Drainage
- Fire Protection

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger Fund

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end.

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

5 CASH, INVESTMENTS AND POOLED ASSETS

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds
- b. Paving Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund
- c. Sewerage Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund

The City follows the practice of pooling cash of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash report the advance as an interfund payable and the General Fund, which has been determined to be the receivable fund by management, reports an offsetting interfund receivable. Interest earned on pooled cash is allocated to each individual fund based on its month end "Equity in Pooled Cash".

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5 CASH, INVESTMENTS AND POOLED ASSETS (CONTINUED)

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds and the Enterprise Funds are invested in interest bearing bank accounts. Interest is allocated among funds in the General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates, minimal checks can be written on these accounts.

For the purpose of the statement of net assets, cash includes all demand and money market accounts of the City. For the purpose of the proprietary funds statement of cash flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R S 39 1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R S 33 2955 allows the investment in direct United States Treasury obligations, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U S government instrumentalities, which are federally sponsored, direct security repurchase agreements of any federal book entry only securities guaranteed by the U S government, time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of certain savings and loan associations and savings banks, certain accounts of federally or state chartered credit unions, certain mutual or trust fund institutions, certain guaranteed investment contracts, and investment grade commercial paper of domestic United States corporations.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

6 SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

7 INVENTORIES

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

8 PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2012 are recorded as prepaid items under the consumption method in both government-wide and fund financial statements.

9 CAPITAL ASSETS

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture, fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9 CAPITAL ASSETS (CONTINUED)

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Depreciation on all capital assets, excluding land improvements and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Buildings and Building Improvements	40
Street system	20 to 40
Drainage system	25
Office Equipment	5 to 12
Machinery and Equipment	10
Vehicles	5
Bridges	40 to 80
Sewerage system	10 to 50

10 INTANGIBLE ASSETS

During the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board Statement (GASBS) No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement requires governments to classify certain intangible assets as capital assets. The City established a policy to capitalize any intangible assets, as defined in GASBS No. 51, which exceed \$50,000. Implementation of GASBS No. 51 did not have a material effect on the financial statements of the City.

11 COMPENSATED ABSENCES

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and vested sick leave as of the end of the fiscal year is valued using employees' current rates of pay and the liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements. In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "Accounting for Compensated Absences", an additional liability is recorded for salary-related payments associated with the future payment of compensated absences.

12 LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12 LONG-TERM OBLIGATIONS (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13 FUND EQUITY

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Beginning with fiscal year ended June 30, 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance—amounts constrained for specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained for specific purposes that are internally imposed by the City Council itself, using its highest level of decision-making authority through an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the City or by an official or body to which the City delegates the authority. Under the City's policy, the Mayor and City Council may assign amounts for specific purposes and the City Council can approve.
- Unassigned fund balance—the residual amount of fund balance which does not fall into one of the other components. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assigned actions. The City does not have a formal minimum fund balance policy.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14 INTERFUND SERVICES

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund services are reported as transfers.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

15 ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1 BUDGETARY PROCEDURES

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before May 1 of each year, the Mayor recommends to the City Council proposed operating and capital budgets for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, by June 15, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance by June 15.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level, however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

2 BUDGETARY COMPARISON

The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts annual operating budgets for the general fund and all special revenue funds. The major special revenue funds are One Percent Sales Tax of 1984 Fund, Community Development Block Grant Fund, and Fire Protection Fund. Since accounting principles applied for the purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2012 is presented as a note in Required Supplementary Information.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2012, the City of Kenner has cash (book balances) totaling \$26,773,186 as follows

Governmental Funds	
Petty cash	\$ 100
Demand deposits	21,957,337
Money market funds	2,070,000
Proprietary Funds	
Enterprise Funds	
Petty cash	500
Demand deposits	1,610,117
Advance to manager	301,626
Internal Service Funds	
Demand deposits	<u>833,506</u>
	<u>\$ 26,773,186</u>

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2012, the City's demand deposits and money market funds bank balances of \$30,183,786 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name. The money market funds are invested in U.S. Treasury securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2012, since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2012, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of government-sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2012, the City had the following investment in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Obligations of Government-Sponsored Entities	<u>\$8,291,170</u>	<u>\$7,290,511</u>	<u>\$1,000,659</u>	<u>\$ --</u>	<u>\$ --</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of government-sponsored entities in the amount of \$8,291,170, which are rated AA+ by Standard & Poor's. The type of investments allowed by state law ensures that the City is not exposed to credit risk.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE D - EQUITY IN POOLED CASH

A reconciliation of total equity in pooled cash is presented below

	<u>General Pool</u>	<u>Paving Assessments Pool</u>	<u>Sewerage Assessments Pool</u>	<u>Total</u>
<u>Equity in Pooled Cash</u>				
Cash	\$ <u>3,611,726</u>	\$ <u>282,126</u>	\$ <u>5,412</u>	\$ <u>3,899,264</u>
Total Equity in Pooled Cash	\$ <u>3,611,726</u>	\$ <u>282,126</u>	\$ <u>5,412</u>	\$ <u>3,899,264</u>
<u>Equity in Pool</u>				
General	\$ 290,617	\$ 265,752	\$ 5,412	\$ 561,781
Community Development	1,085,570	-	-	1,085,570
General Debt	43,072	16,374	-	59,446
Fire Protection Fund	123,453	-	-	123,453
Internal Service Funds	6,770	-	-	6,770
Consolidated General Capital Projects	1,331,581	-	-	1,331,581
Nonmajor Governmental	<u>730,663</u>	<u>-</u>	<u>-</u>	<u>730,663</u>
Total Equity in Pool	\$ <u>3,611,726</u>	\$ <u>282,126</u>	\$ <u>5,412</u>	\$ <u>3,899,264</u>

Daily operations may occasionally result in minor deficiencies in individual allocations of pooled cash which are resolved by temporary interfund loans

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2012, consists of the following amounts:

General Fund	\$ <u>886,124</u>
Proprietary Funds	
Department of Wastewater Operations	\$ <u>56,755</u>

NOTE F - SALES TAX

A sales tax of 8.75% for the period of July 1, 2011 through June 30, 2012 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes $\frac{1}{6}\%$ retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

<u>Effective Date</u>	<u>Parish-Wide Rate</u>	<u>School Board Rate</u>	<u>City Rate</u>
1954	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1966	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1980	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1981	$\frac{1}{2}\%$	-	$\frac{1}{3}\%$
1984	1%	-	1
1993	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1994	$\frac{1}{4}\%$	-	$\frac{1}{4}\%$
TOTAL	<u>4 $\frac{3}{4}\%$</u>	<u>2%</u>	<u>2 $\frac{7}{12}\%$</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE F - SALES TAX (CONTINUED)

The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all parish taxes, except on motor vehicle sales, and retains 9.5 to 11 percent as a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales and remits them back to the parish of registration.

The Sheriff prorates this motor vehicle tax back to the municipalities in proportion to the sales tax collected within each municipality. Taxes due on sales in a month must be remitted by the merchants to the Sheriff by the 20th of the following month. The Sheriff distributes these collections to the local governments approximately 30 days later.

NOTE G - AD VALOREM TAX

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid-November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2011, which are collected and reported as revenue for the fiscal year ended June 30, 2012 is as follows:

<u>FUND</u>	<u>2011 MILLS</u>
General Fund	\$ 2.08
Garbage Collection and Disposal Fund	1.61
Fire Department Fund	7.40
Department of Wastewater Operations Fund	1.14
Capital Projects for Road Bonds Fund	<u>5.90</u>
Total	<u>\$ 18.13</u>

NOTE H - CAPITAL ASSETS

1 Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2012</u>
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 9,674,378	\$ -	\$ -	\$ -	\$ 9,674,378
Construction-in-progress	<u>17,427,727</u>	<u>2,109,748</u>	<u>-</u>	<u>(998,493)</u>	<u>18,538,982</u>
Total capital assets not being depreciated	<u>27,102,105</u>	<u>2,109,748</u>	<u>-</u>	<u>(998,493)</u>	<u>28,213,360</u>
Capital assets being depreciated					
Buildings and building improvements	53,333,397	-	-	-	53,333,397
Improvements other than buildings	6,625,881	54,672	-	93,235	6,773,788
Street system	275,946,370	-	-	-	275,946,370
Drainage system	370,623,467	-	-	-	370,623,467
Furniture, Fixtures and Equipment	18,110,685	79,391	-	116,690	18,306,766

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE H - CAPITAL ASSETS (CONTINUED)

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2012</u>
Vehicles	\$ 12,438,960	\$ 233,137	\$ (121,389)	\$ 788,568	\$ 13,339,276
Bridges	<u>2,787,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,787,808</u>
Total capital assets being depreciated	<u>739,866,568</u>	<u>367,200</u>	<u>(121,389)</u>	<u>998,493</u>	<u>741,110,872</u>
Less accumulated depreciation for					
Buildings and building improvements	30,396,908	964,724	-	-	31,361,632
Improvements other than buildings	1,286,659	286,793	-	-	1,573,452
Street system	171,553,371	7,281,771	-	-	178,835,142
Drainage system	289,915,366	7,229,230	-	-	297,144,596
Furniture, fixtures and equipment	12,079,809	923,338	-	-	13,003,147
Vehicles	9,736,780	753,291	(121,389)	-	10,368,682
Bridges	<u>708,751</u>	<u>81,029</u>	<u>-</u>	<u>-</u>	<u>789,780</u>
Total accumulated depreciation	<u>515,677,644</u>	<u>17,520,176</u>	<u>(121,389)</u>	<u>-</u>	<u>533,076,431</u>
Total capital assets being depreciated, net	<u>224,188,924</u>	<u>(17,152,976)</u>	<u>-</u>	<u>998,493</u>	<u>208,034,441</u>
Governmental activities capital assets, net	<u>\$ 251,291,029</u>	<u>\$ (15,043,228)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,247,801</u>

Business-Type Activities

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2012</u>
Capital assets not being depreciated					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Construction in progress	<u>11,527,989</u>	<u>5,381,768</u>	<u>-</u>	<u>-</u>	<u>16,909,757</u>
Total capital assets not being depreciated	<u>15,326,715</u>	<u>5,381,768</u>	<u>-</u>	<u>-</u>	<u>20,708,483</u>
Capital assets being depreciated					
Buildings and building improvements	101,313,995	-	-	-	101,313,995
Improvements other than buildings	1,754,533	-	-	-	1,754,533
Furniture, fixtures and equipment	17,381,606	-	-	-	17,381,606
Vehicles	<u>1,344,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344,350</u>
Total capital assets being depreciated	<u>121,794,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,794,484</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE H - CAPITAL ASSETS (CONTINUED)

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2012</u>
Less accumulated depreciation for					
Buildings and building					
Improvements	\$ 50,984,625	\$ 3,087,063	\$ -	\$ -	\$ 54,071,688
Improvements other than buildings	1,478,117	47,959	-	-	1,526,076
Furniture, fixtures and equipment	12,687,668	342,580	-	-	13,030,248
Vehicles	<u>1,295,901</u>	<u>6,460</u>	<u>-</u>	<u>-</u>	<u>1,302,361</u>
Total accumulated depreciation	<u>66,446,311</u>	<u>3,484,062</u>	<u>-</u>	<u>-</u>	<u>69,930,373</u>
Total capital assets being depreciated, net	<u>55,348,173</u>	<u>(3,484,062)</u>	<u>-</u>	<u>-</u>	<u>51,864,111</u>
Business-type activities capital assets, net	<u>\$ 70,674,888</u>	<u>\$ 1,897,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,572,594</u>

2 Depreciation expense was charged to functions/programs of the City as follows

Governmental activities	
General government	\$ 372,348
Public safety	1,228,441
Public works	14,893,111
Culture and recreation	1,023,541
Health and Welfare	<u>2,735</u>
Total depreciation expense - governmental activities	<u>\$ 17,520,176</u>
Business-type activities	
Wastewater Operations	\$ 2,273,640
Civic Center Operations	<u>1,210,422</u>
Total depreciation expense - business-type activities	<u>\$ 3,484,062</u>

3 Construction in progress for governmental activities is comprised of the following

	<u>Project/Contract Authorization June 30, 2012</u>	<u>Expended to June 30, 2012</u>	<u>Committed</u>	<u>Required Future Financing</u>
General government	\$ 779,782	\$ 1,024,820	\$ 666	\$ 666
Public works	14,832,228	14,376,054	456,173	456,173
Public safety	3,088	--	3,088	3,088
Culture and recreation	<u>3,201,015</u>	<u>3,138,108</u>	<u>62,908</u>	<u>62,908</u>
Total	<u>\$ 18,816,113</u>	<u>\$ 18,538,982</u>	<u>\$ 522,835</u>	<u>\$ 522,835</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE I - LONG-TERM DEBT

1 GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS

Long-term debt at June 30, 2012 includes the following serial bonds and certificates

	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Sales Tax Bond, Series 2003	3 05 – 5 0%	6/01/2018	\$35,895,000	\$ 35,895,000	\$ 16,520,000
Sales Tax Bonds, Series 1994	2 45%	6/01/2016	11,427,803	11,427,803	2,840,000
Sales Tax Bonds, Series 1995A	2 45%	6/01/2016	\$1,462,875	1,462,875	345,000
Sewer Revenue Bonds Series 2011	3 0 – 5 0%	11/1/2036	16,000,000	16,000,000	16,000,000
Revenue Bonds, 2003	3 90 – 4 40%	3/1/2018	22,000,000	22,000,000	10,275,000
LDEQ Taxable Sewer Bond, Series 2009	0 95%	11/1/2030	22,000,000	22,000,000	13,016,809
Firemen's Pension Merger Payable #1	7 00%	3/27/2029	1,190,000	1,190,000	935,600
Firemen's Pension Merger Payable #2	7 00%	3/27/2029	1,770,738	1,770,738	1,393,186
LDEQ Taxable Sewer Bond, Series 2012	0 95%	11/1/2034	21,000,000	<u>177,952</u>	<u>177,952</u>
Total Bonds				<u>\$ 111,924,368</u>	<u>\$ 61,503,547</u>

Additional information pertaining to the foregoing bonds and certificates is as follows

a Sales Tax Bonds

The Sales Tax Bonds, Series 2003 and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2012, bonds outstanding were \$16,520,000, \$2,840,000 and \$345,000, respectively.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2012 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,803 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and 50%, respectively, based on the total amounts drawn on the loan. At June 30, 2012, the loan had an outstanding balance of \$2,840,000. Total interest and administrative fees paid during the year ended June 30, 2012 were \$85,750 and \$17,500, respectively.

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2012, the loan had an outstanding balance of \$345,000. Total interest and administrative fees paid during the year ended June 30, 2012 were \$10,413 and \$2,125, respectively.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE I - LONG-TERM DEBT (CONTINUED)

1 GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS (CONTINUED)

a. Sales Tax Bonds (Continued)

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues

b. Taxable Sewer Revenue Bonds

Sewer Revenue Bonds, Series 2011 and 2012 were issued for the purpose of paying a portion of acquiring and constructing additions, extensions and improvements to the Sewer System

2 FIREMEN'S PENSION MERGER PAYABLE

In March 1998, the required three-fourths vote of the active and inactive members approved the pension merger with the Firefighters Retirement System ("FRS") Approval of the merger was received from the FRS and the Joint Retirement Committee The City Council approved the merger in December 1998 and signed an agreement with SFRS on March 25, 1999 regarding the payment of the merger liability The final merger liability as of March 27, 1999 was \$14,050,233, which represents 60% of the accrued liability for active employees, \$6,301,446, and 100% of the accrued liability for retired employees, \$7,748,787 The Fund transferred assets in the amount of \$11,130,143 to the FRS to pay the merger liability The value of the transferred assets for purposes of the merger as discounted from the date of receipt to the merger date of March 27, 1999, at the system's actuarial valuation interest rate of 7% was \$11,089,495 The remaining liability of \$2,960,738 plus interest at the rate of 7% per annum was assumed by the City of Kenner to be paid over 30 years

The City has split the liability to be amortized into two components as follows

\$1,190,000 of the liability is payable monthly at a rate of 7% The monthly payments including interest are \$7,917 At June 30, 2012, the merger payable for this component had a total outstanding balance of \$935,600

\$1,770,738 of the liability is payable annually at a rate of 7% The annual payments including interest are \$142,697 At June 30, 2012, the merger payable for this component had a total outstanding balance of \$1,393,186

The funding necessary to service this merger payable is provided by the dedication of the fire insurance tax received from the State of Louisiana

3 LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN

In 2003, the City executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funding for acquisition, construction, and maintenance of roads within the City The LCDA Revenue Bonds (Kenner Road Project) Series 2003 authorized a loan amount of \$22,000,000 Loan proceeds of \$22,000,000 were received in April 2003 As of June 30, 2012, \$10,275,000 of the loan was outstanding

4 LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY LOAN

In 2009, the City executed a loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City The LDEQ Taxable Sewer Bonds Series 2009 authorized a loan amount of \$22,000,000 with an interest rate of 95% Loan proceeds of \$3,426,001 were expended during the fiscal year ended June 30, 2012 As of June 30, 2012, \$13,016,809 was outstanding Total interest and administrative fees paid during the year ended June 30, 2012 were \$35,509 and \$39,454, respectively

In 2012, the City executed another loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing additional funding for the rehabilitation of the sewer system within the City The LDEQ Taxable Sewer Bonds Series 2012 authorized a loan amount of \$21,000,000 with an interest rate of 95% Loan proceeds of \$177,952 were expended during the fiscal year ended June 30, 2012 As of June 30, 2012, \$177,952 was outstanding There was no interest paid during the fiscal year 2012

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE I - LONG-TERM DEBT (CONTINUED)

5 GENERAL DEBT

a Lease Obligations

The City has operating lease obligations on various facilities and equipment See Note O - Lease Commitments - General

b Compensated Absences

General

All employees, except police and fire employees, earn sick leave at the following rates

Full time employees	1 day/month not to exceed 12 days/year
Regular part time employees	$\frac{1}{2}$ day/month not to exceed 6 days/year

Employees earn annual leave in varying amounts according to years of service as follows

<u>Service (years)</u>	<u>Amount</u>
Full time employees	
0 - 5	1 day/month
5 - 10	1 $\frac{1}{2}$ day/month
over 10	2 days/month
Regular part time employees	
0 - 5	$\frac{1}{2}$ day/month
5 - 10	$\frac{3}{4}$ day/month
over 10	1 day/month

Employees are required to use their annual leave during the calendar year following the year in which it is earned Annual leave not used by December 31 of the calendar year is determined for each employee Half of this leave is lost and half is carried forward to be paid upon separation of service or may be used in lieu of sick leave once sick leave has been exhausted This carryforward time is not available to be taken as annual leave in future periods Annual leave is payable upon separation of service Sick leave is accumulated without time limitation and is payable up to a maximum of 90 days upon retirement or death

In accordance with Statement No 16 of the Governmental Accounting Standards Board, "Accounting for Compensated Absences", an additional liability is recorded for salary related payments associated with the future payment of compensated absences Such salary related payments consist of the City's portion of Medicare tax expense

For governmental activities, compensated absences are generally liquidated by the general fund, community development fund, roads and bridges fund, street lighting fund, and fire department fund

Fire Department

Firefighters receive 18 days of annual leave after one year of service After 10 years of service employees receive one additional day of annual leave for each additional year of service to a maximum of 30 days per year Vacation time not used by December 31 is lost

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - LONG-TERM DEBT (CONTINUED)

Fire Department (Continued)

Firefighters receive 90 days of sick leave when they join the Department. Any sick time taken is applied against this accumulation. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. Firefighters receive 365 days of sick leave with medical determination.

Police Department

Police personnel earn annual leave in varying amounts according to years of service as follows:

<u>Years Service</u>	<u>Civil Service Amount</u>
0 - 1 Year	0 Days
1 - 10 Years	15 Days
10 - 20 Years	20 Days
Over 20 Years	25 Days

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

These hours are accrued on January 1st and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, he or she is paid for the annual leave remaining on the books.

Police personnel earn sick leave at the following rates:

Full time employees	8 hours/month not to exceed 12 days (96 hours)/year
Regular part time employees	1/2 day (4 hours)/month not to exceed 6 days (48 hours)/year

Upon retirement, employees are entitled to receive pay for accrued, unused sick leave days up to a maximum of 90 days.

The General Fund, CDBG Fund, Streets and Drainage Fund, Street Lighting Fund, and Fire Protection Fund have typically been used in prior years to liquidate the liability for compensated absences.

6 CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2012:

	<u>Balance 6/30/2011</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Discount/ (Premium)</u>	<u>Balance 6/30/2012</u>	<u>Net of Unamortized Premium 6/30/2012</u>	<u>Due within One Year</u>
Governmental Activities							
Sales Tax							
Revenue Bonds	\$ 23,262,062	\$ -	\$ 3,165,000	\$ (88,286)	\$ 20,008,776	\$ 19,705,000	\$ 3,265,000
Certificate of Indebtedness	200,000	-	200,000	-	-	-	-
Note Payable	2,399,465	-	70,678	-	2,328,787	2,328,787	75,652
LCDA Series 2003 Loan	11,858,593	-	1,490,000	(21,970)	10,346,623	10,275,000	1,550,000
LDEQ Series 2009 Loan	10,609,808	3,426,001	1,019,000	-	13,016,809	13,016,809	593,179
Sewer Revenue Bonds 2011	-	16,185,621	-	-	16,185,621	16,000,000	-
LDEQ Series 2012 Loan	-	177,952	-	-	177,952	177,952	-
Compensated Absences	<u>4,581,805</u>	<u>1,269,557</u>	<u>1,253,860</u>	<u>-</u>	<u>4,597,502</u>	<u>4,597,502</u>	<u>2,537,366</u>
Total Governmental Activities	<u>\$ 52,911,733</u>	<u>\$ 21,059,131</u>	<u>\$ 7,198,538</u>	<u>\$ (110,256)</u>	<u>\$ 66,662,070</u>	<u>\$ 66,101,050</u>	<u>\$ 8,021,197</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for sales tax bonds as of June 30, 2012 are as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 3,265,000	\$ 788,854
2014	3,365,000	686,286
2015	3,470,000	577,989
2016	3,625,000	420,991
2017	2,925,000	270,732
2018	<u>3,055,000</u>	<u>139,106</u>
	19,705,000	<u>\$ 2,883,958</u>
Plus Bond Premium	<u>303,776</u>	
Net Debt Service Requirement	<u>\$ 20,008,776</u>	

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2012 are as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 75,653	\$ 162,049
2014	81,019	156,684
2015	86,765	150,938
2016	92,919	144,784
2017	99,509	138,194
2018-2022	613,976	574,537
2023-2027	864,896	323,617
2028-2029	<u>414,050</u>	<u>37,603</u>
	<u>\$ 2,328,787</u>	<u>\$ 1,688,406</u>

The annual requirements to maturity for the LCDA Series 2003 Loan as of June 30, 2012 are as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	1,550,000	427,605
2014	1,610,000	367,155
2015	1,670,000	302,755
2016	1,740,000	235,285
2017	1,815,000	161,205
2018	<u>1,890,000</u>	<u>83,160</u>
	10,275,000	<u>\$ 1,577,165</u>
Plus Bond Premium	<u>71,623</u>	
Net Debt Service Requirement	<u>\$ 10,346,623</u>	

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE I - LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2009 as of June 30, 2012 are as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	593,179	49,961
2014	1,036,000	49,497
2015	1,044,000	44,817
2016	1,052,000	40,101
2017	1,061,000	35,347
2018-2022	5,429,000	104,109
2023-2024	<u>2,801,630</u>	<u>7,791</u>
	<u>\$ 13,016,809</u>	<u>\$ 331,623</u>

The loan has not been fully disbursed as of June 30, 2012. The annual future payments will change once all of the loan proceeds have been received.

The annual requirements to maturity for the Sewer Revenue Bonds Series 2011 as of June 30, 2012 are as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	-	332,875
2014	435,000	657,050
2015	450,000	641,600
2016	465,000	627,875
2017	475,000	613,775
2018-2022	2,605,000	2,841,981
2023-2027	3,065,000	2,365,650
2028-2032	3,750,000	1,653,688
2033-2037	<u>4,755,000</u>	<u>617,375</u>
	16,000,000	<u>\$ 10,351,869</u>
Plus Bond Premium	<u>185,621</u>	
Net Debt Service Requirement	<u>\$ 16,185,621</u>	

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2012 as of June 30, 2012 are as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	-	1,691
2014	-	1,691
2015	-	1,691
2016	<u>177,952</u>	<u>1,691</u>
	<u>\$ 177,952</u>	<u>\$ 6,764</u>

The loan has not been fully disbursed as of June 30, 2012. The annual future payments will change once all of the loan proceeds have been received.

7 COMPLIANCE

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transfers at June 30, 2012 are as follows

	Transfer In							
	General Fund	Community Development Block Grant	Fire Protection Fund	General Capital Projects	Nonmajor Governmental	Department of Wastewater Operations	General Debt	Total
Transfer Out								
General Fund	\$ -	\$ 495,263	\$ 1,698,323	\$ 4,235,012	\$ 501,810	\$ -	\$ 363,072	\$ 7,293,480
One Percent Sales Tax of 1984 Fund	8,086,252	-	771,756	-	2,159,734	-	-	11,017,742
Department of Wastewater Operations	-	-	-	-	-	-	415,997	415,997
General Debt	16,779	-	-	-	-	-	-	16,779
General Capital Project	538,198	-	-	-	-	1,100,750	836,155	2,475,103
Civic Center Operations	<u>1,076,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,076,777</u>
Total	<u>\$ 9,718,006</u>	<u>\$ 495,263</u>	<u>\$ 2,470,079</u>	<u>\$ 4,235,012</u>	<u>\$ 2,661,544</u>	<u>\$ 1,100,750</u>	<u>\$ 1,615,224</u>	<u>\$ 22,295,878</u>

Transfers are primarily used to move funds from

General Fund - to the Community Development fund to cover the expenditures of the City's Resource centers, Food Bank and the portion of Community Development's administrative expenses not covered by the CDBG grant, to the Fire Protection fund for communication expenditures and because dedicated revenues are not sufficient to cover expenditures, to the General Capital Projects the gaming revenues dedicated for capital projects, to the Garbage Collection and Disposal fund because dedicated revenues are not sufficient to cover expenditures and to the General Debt fund to cover the reserve requirements and additional interest on the 2009 LDEQ loan

One Percent Sales tax of 1984 Fund – to the General, Garbage Collection & Disposal, and Fire Protection funds to reimburse losses from homestead exemption, to pay expenditures for the Streets and Drainage and Street Lighting Funds and the remaining funds are transferred to the General Fund

General Capital Projects – to the General Debt Fund the 25% of riverboat revenues dedicated to debt service, to the General Fund for capital funds rededicated to operations to balance the General Fund budget and to Wastewater operations to transfer a portion of the 2011 Sewer bond proceeds to establish the required reserve fund on the 2011 Sewer bonds

Civic Center Operations - to the General Fund to transfer a portion of insurance proceeds received from Hurricane Katrina damages to the Civic Center rebudgeted for Police equipment and operating expenses

Wastewater Operations – to the General Debt fund to cover a portion of the debt payment of the 2009 LCDA loan to be paid from the sewer service charge

The composition of interfund balances as of June 30, 2012, is as follows

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	One Percent Sales Tax of 1984 Fund	\$ 1,852,000
	Fire Protection	104,637
	General Capital Projects	1,985,191
	Capital Projects Funded with Bond Proceeds	4,244,153
	General Debt Funds	419,602
	Nonmajor Governmental Funds	218,421
	Department of Wastewater Operations	4,367,105
	Internal Service Funds	522,220
	Civic Center Operations	1,045,290

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

One Percent Sales Tax of 1984 Fund	Nonmajor Governmental Funds	130,294
Fire Protection Fund	General Fund	491,143
	One Percent Sales Tax of 1984 Fund	85,559
	Nonmajor Governmental Funds	-
General Capital Projects	General Fund	9,023,725
	Community Development Block Grant Fund	95,203
Capital Projects Funded with Bond Proceeds	General Fund	852,111
	General Capital Projects	-
Department of Wastewater Operations	General Fund	76,427
	General Capital Projects	220,318
Nonmajor Governmental Funds	General Fund	372,680
	One Percent Sales Tax Fund	<u>5,725</u>
		<u>\$ 26,111,807</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations

NOTE K - TREASURE CHEST RIVERBOAT CASINO AGREEMENT

The City of Kenner and Treasure Chest Casino, L L C entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L L C 's riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease was for five years beginning on July 1, 1994, and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". The Minimum Percentage Rent equals the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City. Additionally, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

In September 1994, the riverboat casino began operations.

NOTE L - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$500,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000, \$500,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000, \$350,000 for each worker's compensation claim.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE L - RISK MANAGEMENT (CONTINUED)

excluding police and fire, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000, and \$400,000 for each police and fire workers compensation claim in with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$4,827,102 (which includes claims incurred but not reported in the Fund at June 30, 2012) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Governmental Accounting Standards Board Statement No. 30, "Risk Financing Omnibus - An Amendment of GASB Statement No. 10", requires that specific, incremental claim adjustment expenses and estimated recoveries be considered in calculating the claims liability.

Changes in the balances of claims liabilities during fiscal years 2010, 2011 and 2012 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	<u>Claim Payments</u>	Balance at Fiscal <u>Year End</u>
2009 – 2010	3,483,198	1,054,294	(855,598)	3,681,894
2010 – 2011	3,681,894	2,153,651	(826,776)	5,008,769
2011 – 2012	5,008,769	964,077	(1,145,744)	4,827,102

The amount of estimated claims payable due within one year of these financial statements is \$2,035,481.

HEALTH INSURANCE

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

NOTE M - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund.

FEDERALLY ASSISTED PROGRAMS

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

EPA ADMINISTRATIVE ORDER

On November 10, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. Failure to comply with an EPA Administrative Order could result in monetary fines or an EPA administrative penalty. As a result, the city initiated a \$15 million sewer rehabilitation project. See Note I for additional information regarding the financing of the 1990 sewer rehabilitation project.

On August 24, 2009, the Louisiana Department of Environmental Quality (LDEQ) issued the City a Consolidated Compliance Order & Notice of Potential Penalty for sewerage overflow violations which resulted in raw sewerage being discharged into waters of the State. As with the 1990 EPA Administrative Order discussed above, failure to comply with the provisions of the Order could subject the City to substantial administrative penalties or monetary fines.

EPA CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The LDEQ Compliance Order mandates that the City take all steps necessary to achieve compliance with Water Quality Regulations including but not limited to avoiding overflows and complying with all effluent limitations by properly operating and maintaining the facility. Failure or refusal to comply could subject the City to civil penalties of \$50,000 for each day of continued violation or noncompliance.

Major renovations must be made to the City's sewer treatment and collection system to remedy the problems causing the LDEQ and EPA violations. The required renovations include the replacement or upgrading of lift stations, expansion and upgrading of the City's wastewater treatment plant capacity, repair and replacement of gravity sewer lines, and procuring generators to service the sewer system during emergencies.

The City's engineers estimate that the total costs of the required renovations will be \$65 million. On December 10, 2009, the City entered into an agreement for a \$22 million construction loan at 95% interest from the Clean Water State Revolving Fund Loan Program to partially fund the necessary upgrades and improvements. Approximately \$13 million of the loan has been disbursed to the City for its expenditures on surveys, preliminary design and project management and construction costs. Additional funding of approximately \$4 million is available through an LRA grant and approximately \$2 million of existing Capital Projects funds have been budgeted for this project. See Note I for additional information regarding the financing of the 2009 sewer rehabilitation project. The City issued another \$37 million in bonds to fund the rest of the required renovations of the sewer system.

FIREFIGHTER PENSION CLAIM

Plaintiffs claim that the City erred by not making firefighter retirement contributions on acting pay, holiday pay, overtime pay, and educational incentive pay. Plaintiffs moved for declaratory judgment on this claim but the judge ruled in favor of the City. Plaintiffs will appeal and the outcome of an appeal is uncertain. The City has accrued \$816,000 in the General Fund for this claim.

AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. In accordance with the agreement dated July 1999, compensation from the City of Kenner consists of an annual fee, \$2,744,264, funding the Kenner Budget Pass-Through Fund, \$817,567, and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONSTRUCTION

Construction commitments are discussed in Note 1

LEASE COMMITMENTS - GENERAL

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements. As of June 30, 2012, the City has no capital leases.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2012 amounted to \$281,670. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amounts</u>
2013	\$ 178,407
2014	<u>134,412</u>
Total minimum lease payments	<u>\$ 312,819</u>

NOTE N - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries. The City did not make any contributions to the plan during the year ended June 30, 2012.

NOTE O - POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City provides postemployment health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees under age 75. The City established a Group Insurance Plan, providing for payment of a portion of health care insurance premiums and life insurance premiums for eligible retired employees. The Group Insurance Plan is a single-employer defined benefit health care plan administered by the City which provides medical and life insurance to eligible retirees and their beneficiaries. The City Council has the authority to establish and amend plan benefit provisions. OPEB benefits are administered by City personnel. No separate financial statements are issued. At June 30, 2012, 190 retirees were receiving postemployment benefits.

CONTRIBUTION RATES

Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The City offers two health plans for both active and retired employees: United Healthcare Plan 70B and United Healthcare Plan 7EO. Retired employees who have Medicare coverage also have access to two plans: People's Health and Humana. Depending upon the plan selected, for the year ended June 30, 2012, the retiree portion of the monthly premium ranged from \$0 to \$70, and the City's portion is \$477 per month for retiree-only coverage without Medicare, and \$0 to \$155 for the retiree portion, and from \$76 to \$100 per month for the City's portion for retiree-only coverage with Medicare.

The employer pays the blended rate for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. After Medicare eligibility, the employer pays for the first \$100 per month of the retiree portion of the premium. For employees who were employed before February 1, 2000, the employer pays \$82 of the dependent coverage for active employees and retirees before age 65.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

CONTRIBUTION RATES

The City also provides eligible retirees Basic Term Life which is underwritten by the Metropolitan Life Insurance Company. The blended rate for active employees and retirees is \$0.278 per \$1,000 of insurance.

The amount of life insurance is reduced by 35% of the original amount at age 70 and by 50% of the original amount at age 75.

FUNDING POLICY

Prior to July 1, 2008, the City of Kenner recognized the cost of providing postemployment medical and life benefits (the City of Kenner's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. For the year ended June 30, 2012, the City of Kenner's portion of health care funding cost for retired employees totaled \$471,489.

ANNUAL OPEB COST

The City of Kenner's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning July 1, 2012 was \$1,287,703 for medical, as set forth below:

ANNUAL OPEB COST (CONTINUED)

Normal Cost	\$ 449,637
UAL amortized amount	788,539
Interest	<u>49,527</u>
Annual required contribution (ARC)	<u>\$ 1,287,703</u>

The table below shows the City of Kenner's Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ended June 30, 2012:

Annual required contribution	\$ 1,287,703
Interest on net OPEB obligation	166,939
ARC adjustment	<u>(232,070)</u>
OPEB cost	1,222,572
Contributions made (retiree premiums paid in 2012)	<u>(471,489)</u>
Increase in net OPEB obligation	751,083
Beginning net OPEB obligation at July 1, 2011	<u>4,173,486</u>
Ending net OPEB obligation at June 30, 2012	<u>\$ 4,924,569</u>

The following table shows the City of Kenner's annual OPEB cost, percentage of the cost contributed, and the net unfunded OPEB liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Cost Contributed</u>	<u>Annual OPEB Net OPEB Obligation</u>
June 30, 2010	\$ 2,136,309	18.00%	\$ 3,402,817
June 30, 2011	1,227,030	37.19%	4,173,486
June 30, 2012	1,222,572	38.57%	4,924,569

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

FUNDED STATUS AND FUNDING PROGRESS

During the fiscal year ended June 30, 2012, the City of Kenner made no contributions to its other postemployment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2011, the most recent actuarial valuation (adjusted for interest), the Actuarial Accrued Liability (AAL) was \$15,071,536, which is defined as that portion, as determined by a particular actuarial cost method (the City of Kenner uses the Projected Unit Credit Cost Method), of the actuarial present value of other postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during fiscal year 2012, the entire actuarial accrued liability of \$15,071,536 was unfunded.

Actuarial accrued liability (AAL)	\$ 15,071,536
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 15,071,536</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll (annual payroll of active plan members)	\$ 25,391,132
UAAL as a percentage of covered payroll	59.36%

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate, (2) retirement rate, (3) health care cost trend rate, (4) mortality rate, (5) discount rate (investment return assumption), and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Kenner and its employee plan members) at the time of the valuation and on the historical pattern of sharing costs between the City of Kenner and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Kenner and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

ACTUARIAL COST METHOD

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

TURNOVER RATE

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
20 - 25	20.0%
26 - 40	12.0%
41 - 50	8.0%
51+	6.0%

In addition, based on past experience it was assumed that 16% of retirees decline health coverage at retirement.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

INVESTMENT RETURN ASSUMPTION (DISCOUNT RATE)

The investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

HEALTH CARE COST INFLATION RATE

This assumption is used in determining how much postemployment benefits will cost each year and how rapidly the cost will grow when an employee starts receiving postemployment benefits. The health care cost trend was 9% initially and decreases to an ultimate rate of 5%. Both the investment return rate and the health care cost trend rate included a 2.5% inflation assumption.

MORTALITY RATE

This assumption is used in determining how long a retiree is likely to receive the benefits. The RP2000 Combined Health Table with a 70/30 male/female blend was used.

NOTE P - PENSION PLANS

GENERAL

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit public employee retirement system.

All full-time classified employees of the Police Department of the City are participants in the Municipal Police Employees' Retirement System (the Police Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters' Retirement System ("FRS"), a cost-sharing, multiple-employer defined benefit plan.

PLAN DESCRIPTIONS

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)

Employees of the City participate in Plan A of the Municipal Plan, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1866, specifically, and other general laws of the State of Louisiana. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age, however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse.

The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2012. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE P - PENSION PLANS (CONTINUED)

PLAN DESCRIPTIONS (Continued)

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan) (Continued)

Plan members are required to contribute 9.25% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 16.75% of earnable compensation. At July 1, 2012, the employer's contribution rate increased to 17.0%.

Municipal Police Employees' Retirement System, State of Louisiana (The Police Plan)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan for one year, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11 2211 - 11 2233. The monthly retirement benefit is equal to 3 1/3 percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2012. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, P O Box 94095, Capital Station, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their annual-covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 26.5% of covered payroll. Effective July 1, 2012, the employer's contribution rate increased to 31.0%.

The Firefighters' Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children. Act 434 of the 1979 Louisiana Legislative Session established the Plan. The System is governed by Louisiana Revised Statutes 11 2251 through 11 2269, specifically, and other general laws of the State of Louisiana.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 23.25% of annual-covered payroll. Effective July 1, 2012, the employer's contribution rate increased to 24.0%.

COVERED PAYROLL

The covered payrolls for each of the plans for the year ended June 30, 2012 were as follows:

	<u>Covered payroll</u>
Municipal Plan	11,335,398
Police Plan	7,913,669
Firefighters Retirement System	4,186,298

CURRENT MEMBERSHIP

Total membership data for the Municipal Plan, Police Plan and Firefighters' Retirement System is available in the separately issued reports, but is not available by individual employer.

Member and employer contributions are established by state statute for all plans.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE P - PENSION PLANS (CONTINUED)

CONTRIBUTIONS REQUIRED AND MADE

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan were as follows

<u>Fiscal Year Ended June 30,</u>	<u>Required Contribution</u>	<u>% Contributed</u>
2010	\$1,765,711	100%
2011	1,761,462	100%
2012	1,898,680	100%

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan were as follows

<u>Fiscal Year Ended June 30,</u>	<u>Required Contribution</u>	<u>% Contributed</u>
2010	\$850,920	100%
2011	1,874,013	100%
2012	2,097,124	100%

Contributions required and made for the Firefighters' Retirement System, a cost-sharing multiple-employer plan were as follows

<u>Fiscal Year Ended June 30,</u>	<u>Required Contribution</u>	<u>% Contributed</u>
2010	\$613,321	100%
2011	928,830	100%
2012	973,314	100%

NOTE Q – DEFICIT FUND BALANCES/ NET ASSETS

At June 30, 2012, the Self-Insurance Fund had a deficit in its net assets of \$4,523,513. This deficit will be eliminated by the City making additional contributions into the fund during future years.

At June 30, 2012, the Wastewater Fund had a deficit in its unrestricted net assets of \$1,129,529. This deficit is expected to be reduced by future operations from an increase in the sewer service charge over the next several years which was approved by the Council in November 2010.

NOTE R – SUBSEQUENT EVENT

In August, 2012 Hurricane Isaac struck the State of Louisiana, causing damages to a significant number of properties in the City of Kenner. In addition to property losses of approximately \$1.5 million the City of Kenner incurred approximately \$3 million of costs relative to emergency services and debris cleanup. Insurance and Federal Disaster Aid, which is limited to 75% of the City's losses, is expected to cover only approximately \$3.4 million of these costs. The remaining \$1.1 million of costs and damages will be borne by the City.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes	\$ 24,607,733	\$ (4,786)	\$ 24,602,947	\$ 25,004,112	\$ 25,004,112	\$ (401,165)
Licenses and permits	3,462,423	-	3,462,423	3,174,608	3,174,608	287,815
Intergovernmental	2,396,298	(1,142,259)	1,254,039	1,363,718	1,363,718	(109,679)
Charges for services	1,525,717	(543,592)	982,125	883,128	883,128	98,997
Fines and forfeitures	2,885,847	-	2,885,847	2,189,500	2,189,500	696,347
Interest on invested funds	(4,288)	-	(4,288)	47,400	47,400	(51,688)
Miscellaneous	476,939	876	477,815	349,090	348,969	128,846
Total revenues	<u>35,350,669</u>	<u>(1,689,761)</u>	<u>33,660,908</u>	<u>33,011,556</u>	<u>33,011,435</u>	<u>649,473</u>
EXPENDITURES						
General government	10,298,069	(1,201,246)	9,096,823	9,444,854	9,409,821	312,998
Public safety	18,389,132	(312,647)	18,076,485	18,700,972	18,672,861	596,376
Public works	2,832,024	61,402	2,893,426	3,019,322	2,979,322	85,896
Health and welfare	384,177	(855)	383,322	350,701	385,212	1,890
Culture and recreation	4,013,605	4,893	4,018,498	4,046,269	4,039,748	21,250
Transit and urban development	357,888	(234,788)	123,100	188,817	180,778	57,678
Total expenditures	<u>36,274,895</u>	<u>(1,683,241)</u>	<u>34,591,654</u>	<u>35,750,935</u>	<u>35,667,742</u>	<u>1,076,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(924,226)</u>	<u>(6,520)</u>	<u>(930,746)</u>	<u>(2,739,379)</u>	<u>(2,656,307)</u>	<u>1,725,561</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	9,718,006	-	9,718,006	9,753,095	9,713,095	4,911
Operating transfers out	(7,294,296)	-	(7,294,296)	(7,013,716)	(7,056,788)	(237,508)
Total other financing sources (uses)	<u>2,423,710</u>	<u>-</u>	<u>2,423,710</u>	<u>2,739,379</u>	<u>2,656,307</u>	<u>(232,597)</u>
Net change in fund balance	1,499,484	(6,520)	1,492,964	-	-	1,492,964
Fund balance - beginning of year	<u>12,585,300</u>	<u>-</u>	<u>12,585,300</u>	<u>12,585,300</u>	<u>12,585,300</u>	<u>-</u>
Fund balance - end of year	<u>\$ 14,084,784</u>	<u>\$ (6,520)</u>	<u>\$ 14,078,264</u>	<u>\$ 12,585,300</u>	<u>\$ 12,585,300</u>	<u>\$ 1,492,964</u>

See accompanying note to budgetary comparison schedules

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE PERCENT SALES TAX OF 1984 FUND
YEAR ENDED JUNE 30, 2012

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGETARY AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
				<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES						
Taxes						
Sales tax	<u>\$ 11,017,743</u>	<u>\$ -</u>	<u>\$ 11,017,743</u>	<u>\$ 11,381,436</u>	<u>\$ 11,381,436</u>	<u>\$ (363,693)</u>
Total revenues	<u>11,017,743</u>	<u>-</u>	<u>11,017,743</u>	<u>11,381,436</u>	<u>11,381,436</u>	<u>(363,693)</u>
EXPENDITURES						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,017,743</u>	<u>-</u>	<u>11,017,743</u>	<u>11,381,436</u>	<u>11,381,436</u>	<u>(363,693)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(11,017,743)</u>	<u>-</u>	<u>(11,017,743)</u>	<u>(11,381,436)</u>	<u>(11,381,436)</u>	<u>363,693</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Intergovernmental	\$ 223,490	\$ -	\$ 223,490	\$ 223,278	\$ 220,736	\$ 2,754
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	223,490	-	223,490	223,278	220,736	2,754
EXPENDITURES						
Public works						
Capital Outlay	-	-	-	-	-	-
Total public works	-	-	-	-	-	-
Culture and recreation						
Capital Outlay	-	-	-	-	-	-
Total culture and recreation	-	-	-	-	-	-
Urban development						
Personnel	617,644	-	617,644	674,042	651,585	33,941
Supplies	4,355	(402)	3,953	4,150	4,225	272
Service charges	83,243	8,476	91,719	88,092	109,649	17,930
Capital Outlay	680	(1,584)	(904)	3,500	1,783	2,687
Total urban development	705,922	6,490	712,412	769,784	767,242	54,830
Total Expenditures	705,922	6,490	712,412	769,784	767,242	54,830
Excess (deficiency) of revenues over (under) expenditures	(482,432)	(6,490)	(488,922)	(546,506)	(546,506)	57,584

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2012
(CONTINUED)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 495,263	\$ -	\$ 495,263	\$ 546,506	\$ 546,506	\$ (51,243)
Total other financing sources (uses)	495,263	-	495,263	546,506	546,506	(51,243)
Net change in fund balance	12,831	(6,490)	6,341	-	-	6,341
Fund balance - beginning of year	1,047,635	-	1,047,635	1,047,635	1,047,635	-
Fund balance - end of year	<u>\$ 1,060,466</u>	<u>\$ (6,490)</u>	<u>\$ 1,053,976</u>	<u>\$ 1,047,635</u>	<u>\$ 1,047,635</u>	<u>\$ 6,341</u>

See accompanying note to budgetary comparison schedules

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2012

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Ad valorem tax	\$ 3,404,809	\$ -	\$ 3,404,809	\$ 3,337,804	\$ 3,337,804	\$ 67,005
Parking tax	613,989	-	613,989	532,171	532,171	81,818
Cable franchise tax	403,104	-	403,104	410,716	410,716	(7,612)
Intergovernmental	47,179	-	47,179	-	-	47,179
Charges for services	582	-	582	500	500	82
Interest	(222)	-	(222)	-	-	(222)
Miscellaneous	1,468	-	1,468	1,500	1,500	(32)
Total revenues	4,470,909	-	4,470,909	4,282,691	4,282,691	188,218
EXPENDITURES						
Public safety						
Personnel	6,301,544	-	6,301,544	6,322,237	6,292,612	(8,932)
Supplies	82,207	(547)	81,660	78,000	85,909	4,249
Capital outlay	72,117	-	72,117	-	72,117	-
Service charges	484,647	(16,988)	467,659	640,005	589,604	121,945
Total expenditures	6,940,515	(17,535)	6,922,980	7,040,242	7,040,242	117,262
Excess (deficiency) of revenues over (under) expenditures	(2,469,606)	17,535	(2,452,071)	(2,757,551)	(2,757,551)	305,480

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2012
(CONTINUED)

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGETARY AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
				<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
OTHER FINANCING SOURCES						
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	<u>2,470,079</u>	<u>-</u>	<u>2,470,079</u>	<u>2,757,551</u>	<u>2,757,551</u>	<u>(287,472)</u>
Net change in fund balance	473	17,535	18,008	-	-	18,008
Fund balance - beginning of year	<u>20,957</u>	<u>-</u>	<u>20,957</u>	<u>20,957</u>	<u>20,957</u>	<u>-</u>
Fund balance - end of year	<u>\$ 21,430</u>	<u>\$ 17,535</u>	<u>\$ 38,965</u>	<u>\$ 20,957</u>	<u>\$ 20,957</u>	<u>\$ 18,008</u>

See accompanying note to budgetary comparison schedules

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT FUND
YEAR ENDED JUNE 30, 2012

	ADJUSTMENT TO BUDGETARY			BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE
	ACTUAL	BASIS	BUDGETARY	ORIGINAL	FINAL	(NEGATIVE)
REVENUES						
Taxes						
Sales tax	\$ 4,068,698	\$ -	\$ 4,068,698	\$ 4,078,147	\$ 4,078,147	\$ (9,449)
Interest on invested funds	136	-	136	7,600	7,600	(7,464)
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>4,068,834</u>	<u>-</u>	<u>4,068,834</u>	<u>4,085,747</u>	<u>4,085,747</u>	<u>(16,913)</u>
EXPENDITURES						
Debt service						
Principal	4,384,000	-	4,384,000	4,384,000	4,384,000	-
Interest	960,970	-	960,970	917,899	960,971	1
Miscellaneous	<u>36,000</u>	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Total expenditures	<u>5,380,970</u>	<u>-</u>	<u>5,380,970</u>	<u>5,337,899</u>	<u>5,380,971</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,312,136)</u>	<u>-</u>	<u>(1,312,136)</u>	<u>(1,252,152)</u>	<u>(1,295,224)</u>	<u>(16,912)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,615,224	-	1,615,224	1,572,152	1,615,224	-
Transfers out	<u>(16,779)</u>	<u>-</u>	<u>(16,779)</u>	<u>-</u>	<u>-</u>	<u>(16,779)</u>
Total other financing sources (uses)	<u>1,598,445</u>	<u>-</u>	<u>1,598,445</u>	<u>1,572,152</u>	<u>1,615,224</u>	<u>(16,779)</u>
Net change in fund balance	286,309	-	286,309	320,000	320,000	(33,691)
Fund balance - beginning of year	<u>3,372,958</u>	<u>-</u>	<u>3,372,958</u>	<u>3,372,958</u>	<u>3,372,958</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,659,267</u>	<u>\$ -</u>	<u>\$ 3,659,267</u>	<u>\$ 3,692,958</u>	<u>\$ 3,692,958</u>	<u>\$ (33,691)</u>

CITY OF KENNER, LOUISIANA
NOTE TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2012

NOTE A - BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows

	General Fund	Community Development Block Grant Fund	Streets and Drainage Fund	Fire Protection Fund	Street Lighting Fund
Net change in fund balances (budgetary basis)	\$ 1,492,964	\$ 6,341	\$ 8,567	\$ 18,008	\$ 10,977
Basis differences					
To adjust for encumbrances	(2,050,445)	6,490	(8,567)	(17,535)	(10,977)
Entity differences					
To adjust for revenues not budgeted	<u>1,689,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ 1,132,280</u>	<u>\$ 12,831</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN
JUNE 30, 2012

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value Of</u> <u>of Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>Entry Age</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL</u> <u>As A</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
June 30, 2010	June 30, 2010	\$ -	\$ 22,435,139	\$ 22,435,139	0.00 %	\$ 27,215,135	82.44 %
June 30, 2011	June 30, 2011	\$ -	\$ 15,071,536	\$ 15,071,536	0.00 %	\$ 26,074,568	57.80 %
June 30, 2012	June 30, 2011	\$ -	\$ 15,071,536	\$ 15,071,536	0.00 %	\$ 25,391,132	59.36 %

OTHER SUPPLEMENTARY INFORMATION

**CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2012**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts or revenues for major capital projects) that are legally restricted to expenditures for specific purposes

GARBAGE COLLECTION AND DISPOSAL FUND

The Garbage Collection and Disposal Fund accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas

STREETS AND DRAINAGE AND STREET LIGHTING FUNDS

The Roads and Bridges and Street Lighting Funds account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds

DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds

AD VALOREM TAX BOND FUND

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements for the loan agreement for the LCDA loan

FIREMEN'S PENSION MERGER FUND

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System

**CITY OF KENNER, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	SPECIAL REVENUE FUNDS			
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	STREET LIGHTING	TOTAL
ASSETS				
Cash	\$ -	\$ 158	\$ -	\$ 158
Equity in pooled cash	-	-	-	-
Investments	-	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	790,401	-	-	790,401
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Other	-	-	37	37
Due from other funds	113,340	151,441	98,532	363,313
Prepaid items	-	-	-	-
Total assets	\$ 903,741	\$ 151,599	\$ 98,569	\$ 1,153,909
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 419,027	\$ 3,832	\$ 47,511	\$ 470,370
Contracts payable	-	-	-	-
Accrued liabilities	-	41,549	6,502	48,051
Due to other funds	218,421	99,828	30,467	348,716
Deferred revenues	101,230	455	922	102,607
Total liabilities	738,678	145,664	85,402	969,744
Fund balances				
Restricted				
Federal grants	\$ 165,063	\$ -	\$ -	\$ 165,063
Debt service	-	-	-	-
Committed				
Encumbrances	-	5,935	13,167	19,102
Other commitments	-	-	-	-
Total fund balances	165,063	5,935	13,167	184,165
Total liabilities and fund balances	\$ 903,741	\$ 151,599	\$ 98,569	\$ 1,153,909

AD VALOREM TAX BONDS	DEBT SERVICE		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FIREMEN'S PENSION MERGER FUND	TOTAL	
\$ 8,303	\$ -	\$ 8,303	\$ 8,461
40,710	689,954	730,664	730,664
-	-	-	-
-	-	-	790,401
-	-	-	-
-	-	-	-
-	-	-	37
15,092	-	15,092	378,405
-	-	-	-
<u>\$ 64,105</u>	<u>\$ 689,954</u>	<u>\$ 754,059</u>	<u>\$ 1,907,968</u>
\$ -	\$ -	\$ -	\$ 470,370
-	-	-	-
-	-	-	48,051
-	-	-	348,716
15,088	-	15,088	117,695
<u>15,088</u>	<u>-</u>	<u>15,088</u>	<u>984,832</u>
\$ -	\$ -	\$ -	\$ 165,063
49,017	689,954	738,971	738,971
-	-	-	-
-	-	-	19,102
-	-	-	-
<u>49,017</u>	<u>689,954</u>	<u>738,971</u>	<u>923,136</u>
<u>\$ 64,105</u>	<u>\$ 689,954</u>	<u>\$ 754,059</u>	<u>\$ 1,907,968</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS			
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	STREET LIGHTING	TOTAL
REVENUES				
Taxes	\$ 740,692	\$ 740,512	\$ 10	\$ 1,481,214
Intergovernmental	-	-	-	-
Charges for services	2,745,907	-	-	2,745,907
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>3,486,599</u>	<u>740,512</u>	<u>10</u>	<u>4,227,121</u>
EXPENDITURES				
Current				
Public works	4,156,297	1,508,268	1,224,100	6,888,665
Culture and recreation	-	-	-	-
Transit and urban development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>4,156,297</u>	<u>1,508,268</u>	<u>1,224,100</u>	<u>6,888,665</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(669,698)</u>	<u>(767,756)</u>	<u>(1,224,090)</u>	<u>(2,661,544)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	669,698	767,756	1,224,090	2,661,544
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>669,698</u>	<u>767,756</u>	<u>1,224,090</u>	<u>2,661,544</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	<u>165,063</u>	<u>5,935</u>	<u>13,167</u>	<u>184,165</u>
Fund balances - end of year	<u>\$ 165,063</u>	<u>\$ 5,935</u>	<u>\$ 13,167</u>	<u>\$ 184,165</u>

DEBT SERVICE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	
1,973,523	\$ 251,952	\$ 2,225,475	\$ 3,706,689
-	-	-	-
-	-	-	2,745,907
9	-	9	9
-	-	-	-
<u>1,973,532</u>	<u>251,952</u>	<u>2,225,484</u>	<u>6,452,605</u>
-	-	-	6,888,665
-	-	-	-
-	-	-	-
1,490,000	70,643	1,560,643	1,560,643
<u>483,480</u>	<u>167,060</u>	<u>650,540</u>	<u>650,540</u>
<u>1,973,480</u>	<u>237,703</u>	<u>2,211,183</u>	<u>9,099,848</u>
<u>52</u>	<u>14,249</u>	<u>14,301</u>	<u>(2,647,243)</u>
-	-	-	2,661,544
-	-	-	-
-	-	-	2,661,544
52	14,249	14,301	14,301
<u>48,965</u>	<u>675,705</u>	<u>724,670</u>	<u>908,835</u>
<u>\$ 49,017</u>	<u>\$ 689,954</u>	<u>\$ 738,971</u>	<u>\$ 923,136</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
TAXES						
Ad valorem tax	\$ 956 752	\$ -	\$ 956,752	\$ 937 888	\$ 937,888	\$ 18 864
Sales tax	14 969 597	-	14 969 597	14 910 432	14 910,432	59 165
Beer tax	77 787	-	77 787	72 984	72 984	4 803
Parking tax	1 393 653	-	1,393 653	1 393 653	1 393 653	-
Franchises						
Electricity service	1 455 071	-	1 455 071	1 715 171	1 715 171	(260 100)
Gas service	155,574	-	155 574	216 602	216,602	(61,028)
Off-track wagering	88 229	-	88,229	106 692	106,692	(18 463)
Hotel/motel tax	314,319	-	314 319	308 515	308 515	5,804
Telephone	172 118	-	172 118	146 445	146,445	25,673
Video service	138 937	(4 786)	134 151	72,000	72,000	62,151
Riverboat	4,885,696	-	4,885,696	5,123,730	5,123,730	(238,034)
Total taxes	24,607,733	(4,786)	24,602,947	25,004,112	25,004,112	(401,165)
LICENSES AND PERMITS						
Business						
Occupational	2 277 753	-	2,277 753	2,155,698	2,155,698	122,055
Alcoholic beverage	88 320	-	88 320	90 500	90,500	(2 180)
Chain store	57 828	-	57,828	60 000	60,000	(2,172)
Plumbing	59 590	-	59,590	66 000	66,000	(6,410)
Electrical	38,600	-	38 600	38 000	38 000	600
Taxi cab	42 864	-	42,864	33 000	33,000	9 864
Air conditioning	28 075	-	28 075	15,000	15 000	13,075
Bingo	100	-	100	150	150	(50)
Animal control	-	-	-	150	150	(150)
Total business	2,593,130	-	2,593,130	2,458,498	2,458,498	134,632
Non-business						
Building	466,225	-	466 225	302 190	302 190	164 035
Garage sales	3 150	-	3 150	3,500	3,500	(350)
Brake tags	399,918	-	399,918	410 420	410,420	(10,502)
Total non-business	869,293	-	869,293	716,110	716,110	153,183
Total licenses and permits	3 462,423	-	3 462 423	3,174,608	3,174,608	287,815
INTERGOVERNMENTAL						
Federal Grants	1 097 302	(1,097 302)	-	-	-	-
From state						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	168 808	-	168 808	188 817	188 817	(20 009)
Parish road fund	137 939	-	137 939	200 901	200,901	(62,962)
Video poker	696 836	-	696 836	725 000	725 000	(28 164)
Other state grants	44 957	(44 957)	-	-	-	-
From other local government subdivisions						
Jefferson Council on Aging	39 456	-	39 456	38 000	38 000	1 456
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	\$ 2,396,298	\$ (1,142,259)	\$ 1,254,039	\$ 1,363,718	\$ 1,363,718	\$ (109,679)

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CHARGES FOR SERVICES						
Zoning fees	\$ 6 125	\$ -	\$ 6 125	\$ 9 700	\$ 9 700	\$ (3,575)
Inspection fees						
Electrical	79,895	-	79,895	80 000	80,000	(105)
Plumbing	79 085	-	79 085	67 000	67 000	12,085
Air conditioning heating, and other	64 365	-	64 365	64 000	64 000	365
Maps and document sales	2 072	-	2 072	2 400	2,400	(328)
Tax research fees	19 020	-	19 020	16 000	16 000	3,020
Police reports	30 571	-	30 571	31 000	31,000	(429)
Weed cutting fees	175 165	-	175 165	150 000	150 000	25 165
Recreation department						
Participation fees	188,735	-	188 735	190 528	190,528	(1 793)
Admission fees	42 347	-	42,347	55 000	55,000	(12 653)
Identification and other fees	233 745	-	233 745	156 500	156,500	77,245
Community service fees	-	-	-	-	-	-
Administrative charges	604,592	(543,592)	61,000	61,000	61,000	0
Total charges for services	1,525,717	(543,592)	982,125	883,128	883,128	98,997
FINES AND FORFEITURES						
Fines	2 442,104	-	2 442 104	1 875 000	1 875 000	567,104
Forfeitures	392 974	-	392,974	265 000	265,000	127 974
DWI fines	3 220	-	3,220	2,500	2,500	720
Reinstatement fees	47,549	-	47,549	47 000	47,000	549
Total fines and forfeitures	2,885,847	-	2 885,847	2,189,500	2,189,500	696,347
INTEREST ON INVESTED FUNDS	(4,288)	-	(4,288)	47,400	47,400	(51,688)
MISCELLANEOUS						
Donations	63 741	-	63 741	-	-	63 741
Rents	260 454	-	260 454	305,390	305 390	(44 936)
Other investment income	99,730	-	99 730	12 600	12 600	87 130
Other	53 014	876	53,890	31,100	30,979	22,911
Total miscellaneous	476,939	876	477,815	349,090	348,969	128,846
Total revenues	\$ 35,350,669	\$ (1,689,761)	\$ 33 660 908	\$ 32,867 556	\$ 32 867,435	\$ 793,473

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2012

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
GENERAL GOVERNMENT						
Personnel	\$ 6,518,101	\$ (543,342)	\$ 5,974,759	\$ 6,174,366	\$ 6,129,816	\$ 155,057
Supplies	139,682	(50,266)	89,416	124,088	116,539	27,123
Service charges	3,772,353	(817,294)	2,955,059	3,135,400	3,089,950	134,891
Capital outlay	235,137	(157,549)	77,588	11,000	73,516	(4,072)
Total general government	<u>\$ 10,665,273</u>	<u>\$ (1,568,450)</u>	<u>\$ 9,096,823</u>	<u>\$ 9,444,854</u>	<u>\$ 9,409,821</u>	<u>\$ 312,998</u>
PUBLIC SAFETY						
Personnel	\$ 15,081,135	\$ (392,090)	\$ 14,689,045	\$ 14,959,499	\$ 14,800,667	\$ 111,622
Supplies	875,424	9,080	884,504	774,007	812,728	(71,776)
Service charges	2,022,866	(840)	2,022,026	2,236,466	2,363,679	341,653
Capital outlay	409,707	71,203	480,910	731,000	695,787	214,877
Total public safety	<u>\$ 18,389,132</u>	<u>\$ (312,647)</u>	<u>\$ 18,076,485</u>	<u>\$ 18,700,972</u>	<u>\$ 18,672,861</u>	<u>\$ 596,376</u>
PUBLIC WORKS						
Personnel	\$ 1,580,022	\$ -	\$ 1,580,022	\$ 1,667,393	\$ 1,627,491	\$ 47,469
Supplies	826,820	(22,070)	804,750	885,715	815,916	11,166
Service charges	424,082	81,113	505,195	466,214	532,763	27,568
Capital outlay	1,100	2,359	3,459	-	3,152	(307)
Total public works	<u>\$ 2,832,024</u>	<u>\$ 61,402</u>	<u>\$ 2,893,426</u>	<u>\$ 3,019,322</u>	<u>\$ 2,979,322</u>	<u>\$ 85,896</u>
HEALTH AND WELFARE						
Personnel	\$ 376,899	\$ -	\$ 376,899	\$ 329,425	\$ 377,255	\$ 356
Supplies	5,707	(130)	5,577	7,349	4,377	(1,200)
Service charges	1,571	(725)	846	13,927	3,580	2,734
Capital outlay	-	-	-	-	-	-
Total health and welfare	<u>\$ 384,177</u>	<u>\$ (855)</u>	<u>\$ 383,322</u>	<u>\$ 350,701</u>	<u>\$ 385,212</u>	<u>\$ 1,890</u>

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2012

		ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ACTUAL			ORIGINAL BUDGET	FINAL BUDGET	
CULTURE AND RECREATION						
Personnel	\$ 2,771,460	\$ -	\$ 2,771,460	\$ 2,750,979	\$ 2,776,510	\$ 5,050
Supplies	445,268	(2,568)	442,700	446,323	434,777	(7,923)
Service charges	796,571	7,462	804,033	846,967	828,154	24,122
Capital outlay	306	-	306	2,000	307	1
Total culture and recreation	<u>\$ 4,013,605</u>	<u>\$ 4,893</u>	<u>\$ 4,018,498</u>	<u>\$ 4,046,269</u>	<u>\$ 4,039,748</u>	<u>\$ 21,250</u>
TRANSIT						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	357,888	(234,788)	123,100	188,817	180,778	57,678
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	<u>\$ 357,888</u>	<u>\$ (234,788)</u>	<u>\$ 123,100</u>	<u>\$ 188,817</u>	<u>\$ 180,778</u>	<u>\$ 57,678</u>
TOTAL EXPENDITURES						
Personnel	\$ 26,327,617	\$ (935,431)	\$ 25,392,186	\$ 25,881,662	\$ 25,711,739	\$ 319,553
Supplies	2,292,901	(65,954)	2,226,947	2,237,482	2,184,337	(42,610)
Service charges	7,375,331	(965,073)	6,410,258	6,887,791	6,998,904	588,646
Capital outlay	646,250	(83,987)	562,263	744,000	772,762	210,499
TOTAL EXPENDITURES	<u>\$ 36,642,099</u>	<u>\$ (2,050,445)</u>	<u>\$ 34,591,654</u>	<u>\$ 35,750,935</u>	<u>\$ 35,667,742</u>	<u>\$ 1,076,088</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION
YEAR ENDED JUNE 30, 2012

COUNCIL OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 758 567	\$ 250	\$ 758 817	\$ 798 024	\$ 789 688	\$ 30 871
Supplies	22 091	2,878	24 969	37 170	38 084	13,115
Service charges	48 043	4 949	52 992	110,400	100,298	47 306
Capital outlay	56,189	(20,685)	35,504	10,000	27,524	(7,980)
Total expenditures	\$ 884 890	\$ (12,607)	\$ 872,283	\$ 955,594	\$ 955 594	\$ 83 311

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 448 226	\$ -	\$ 448,226	\$ 446,531	\$ 446 650	\$ (1 576)
Supplies	13 303	(1 386)	11 917	12,500	14 412	2,495
Service charges	23 693		23 693	28 250	26,219	2 526
Capital outlay	684	(151)	533	1,000	1,000	467
Total expenditures	\$ 485,906	\$ (1,537)	\$ 484,369	\$ 488,281	\$ 488,281	\$ 3,912

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 761 122	\$ -	\$ 761 122	\$ 753,779	\$ 758 420	\$ (2 702)
Supplies	9 147	57	9,204	16 500	10 891	1 687
Service charges	33 866	-	33 866	48 470	43 889	10 023
Capital outlay	2,579	2,969	5,548	-	5,549	1
Total expenditures	\$ 806,714	\$ 3,027	\$ 809,741	\$ 818,749	\$ 818,749	\$ 9,008

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2012

PURCHASING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 247,441	\$ -	\$ 247,441	\$ 244,517	\$ 247,542	\$ 101
Supplies	5,629		5,629	5,500	5,630	1
Service charges	16,807		16,807	24,874	18,606	1,799
Capital outlay	3,898	\$ (785)	3,113	-	3,113	(0)
Total expenditures	\$ 273,775	\$ (785)	\$ 272,990	\$ 274,891	\$ 274,891	\$ 1,901

PERSONNEL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 309,030		\$ 309,030	\$ 307,956	\$ 308,011	\$ (1,019)
Supplies	2,676	(597)	2,079	3,318	3,318	1,239
Service charges	32,607		32,607	40,235	37,960	5,353
Capital outlay	1,180	126	1,306	-	2,220	914
Total expenditures	\$ 345,493	\$ (472)	\$ 345,021	\$ 351,509	\$ 351,509	\$ 6,488

PLANNING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 371,008	\$ -	\$ 371,008	\$ 390,896	\$ 390,896	\$ 19,888
Supplies	4,322	(69)	4,253	5,600	5,600	1,347
Service charges	30,789	-	30,789	37,900	36,216	5,427
Capital outlay	1,684	-	1,684	-	1,684	-
Total expenditures	\$ 407,803	\$ (69)	\$ 407,734	\$ 434,396	\$ 434,396	\$ 26,662

INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 399,868	\$ -	\$ 399,868	\$ 420,869	\$ 397,528	\$ (2,340)
Supplies	5,295	(558)	4,737	7,500	5,385	648
Service charges	295,856	17,714	313,570	289,799	314,850	1,280
Capital outlay	404	-	404	-	405	1
Total expenditures	\$ 701,423	\$ 17,156	\$ 718,579	\$ 718,168	\$ 718,168	\$ (411)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2012

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 151,900		\$ 151,900	\$ 192,302	\$ 192,302	\$ 40,402
Supplies	1,358	309	1,667	2,000	1,826	159
Service charges	11,841	(1,700)	10,141	15,665	14,649	4,508
Capital outlay	1,190		1,190	-	1,190	-
Total expenditures	\$ 166,289	\$ (1,391)	\$ 164,898	\$ 209,967	\$ 209,967	\$ 45,069

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 818,853	\$ (543,592)	\$ 275,261	\$ 309,994	\$ 276,758	\$ 1,497
Supplies	61,196	(49,087)	12,109	10,000	14,065	1,956
Service charges	1,913,049	(838,257)	1,074,792	1,080,115	1,125,182	50,390
Capital outlay	160,937	(152,056)	8,881	-	11,406	2,525
Total expenditures	\$ 2,954,035	\$ (1,582,991)	\$ 1,371,044	\$ 1,400,109	\$ 1,427,411	\$ 56,367

MAYOR'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 657,928	\$ -	\$ 657,928	\$ 722,669	\$ 662,635	\$ 4,707
Supplies	10,435	(1,628)	8,807	18,000	11,328	2,521
Service charges	75,878	-	75,878	23,100	76,467	589
Capital outlay	306	13,032	13,338	-	13,339	1
Total expenditures	\$ 744,547	\$ 11,404	\$ 755,951	\$ 763,769	\$ 763,769	\$ 7,818

CITY ATTORNEY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	543,410	\$ -	\$ 543,410	565,378	586,939	\$ 43,529
Supplies	4,230	(184)	4,046	6,000	6,000	1,954
Service charges	139,691	-	139,691	172,500	144,852	5,161
Capital outlay	6,086	-	6,086	0	6,086	-
Total expenditures	\$ 693,417	\$ (184)	\$ 693,233	\$ 743,878	\$ 743,877	\$ 50,644

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2012

INSURANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 54,791	\$ -	\$ 54,791	\$ 54,618	\$ 54,598	\$ (193)
Supplies	-	-	-	-	-	-
Service charges	1,135,104	-	1,135,104	1,264,092	1,150,762	15,658
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,189,895	\$ -	\$ 1,189,895	\$ 1,318,710	\$ 1,205,360	\$ 15,465

PAY INCENTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 995,957	\$ -	\$ 995,957	\$ 966,833	\$ 1,017,849	\$ 21,892
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 995,957	\$ -	\$ 995,957	\$ 966,833	\$ 1,017,849	\$ 21,892

BAD DEBT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	15,129	-	15,129	-	-	(15,129)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,129	\$ -	\$ 15,129	\$ -	\$ -	\$ (15,129)

TOTAL - GENERAL GOVERNMENT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 6,518,101	\$ (543,342)	\$ 5,974,759	\$ 6,174,366	\$ 6,129,816	\$ 155,057
Supplies	139,682	(50,266)	89,416	124,088	116,539	27,123
Service charges	3,772,353	(817,294)	2,955,059	3,135,400	3,089,950	134,891
Capital outlay	235,137	(157,549)	77,588	11,000	73,516	(4,072)
Total expenditures	\$ 10,665,273	\$ (1,568,450)	\$ 9,096,823	\$ 9,444,854	\$ 9,409,821	\$ 312,998

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION
YEAR ENDED JUNE 30, 2012

POLICE ADMINISTRATIVE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 853,450	\$ -	\$ 853,450	\$ 850,096	\$ 857,096	\$ 3,646
Supplies	27,690	2,655	30,345	34,500	32,000	1,655
Service charges	825,480	6,163	831,643	747,300	831,300	(343)
Capital outlay	636	(79,882)	(79,246)	-	34,000	113,246
Total expenditures	\$ 1,707,256	\$ (71,064)	\$ 1,636,192	\$ 1,631,896	\$ 1,754,396	\$ 118,204

POLICE FIELD SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 6,358,386	\$ (395,520)	\$ 5,962,866	\$ 6,284,148	\$ 6,024,648	\$ 61,782
Supplies	679,134	(4,843)	674,291	539,000	585,500	(88,791)
Service charges	860,720	(11,808)	848,912	1,148,000	1,120,500	271,588
Capital outlay	400,455	144,935	545,390	731,000	642,500	97,110
Total expenditures	\$ 8,298,695	\$ (267,236)	\$ 8,031,459	\$ 8,702,148	\$ 8,373,148	\$ 341,689

POLICE INVESTIGATING SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,492,065	\$ 20,032	\$ 3,512,097	\$ 3,397,940	\$ 3,468,940	\$ (43,157)
Supplies	11,213	180	11,393	13,000	12,500	1,107
Service charges	4,562	(20)	4,542	6,000	6,000	1,458
Capital outlay	1,090	(551)	539	-	5,000	4,461
Total expenditures	\$ 3,508,930	\$ 19,641	\$ 3,528,571	\$ 3,416,940	\$ 3,492,440	\$ (36,131)

POLICE COMMUNICATIONS SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 651,513	\$ (1,394)	\$ 650,119	\$ 629,470	\$ 654,470	\$ 4,351
Supplies	1,864	158	2,022	3,000	2,500	478
Service charges	27,715	-	27,715	-	30,000	2,285
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 681,092	\$ (1,236)	\$ 679,856	\$ 632,470	\$ 686,970	\$ 7,114

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2012

POLICE JAIL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 861,965	\$ (1,167)	\$ 860,798	\$ 742,220	\$ 857,220	\$ (3,578)
Supplies	109,640	5,630	115,270	135,000	111,500	(3,770)
Service charges	26,562	(646)	25,916	16,000	28,000	2,084
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 998,167	\$ 3,817	\$ 1,001,984	\$ 893,220	\$ 996,720	\$ (5,264)

POLICE TECHNICAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	11,619	(3,010)	8,609	-	16,500	7,891
Service charges	33,974	1,076	35,050	-	33,000	(2,050)
Capital outlay	3,239	6,700	9,939	-	10,000	61
Total expenditures	\$ 48,832	\$ 4,767	\$ 53,599	\$ -	\$ 59,500	\$ 5,901

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,336,822		\$ 1,336,822	\$ 1,426,557	\$ 1,395,725	\$ 58,903
Supplies	21,368	7,153	28,521	29,950	29,950	1,429
Service charges	238,755	4,395	243,150	311,926	307,639	64,489
Capital outlay	4,287		4,287	-	4,287	-
Total expenditures	\$ 1,601,232	\$ 11,548	\$ 1,612,780	\$ 1,768,433	\$ 1,737,601	\$ 124,821

POLICE SUPPORT SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	1,358,616	\$ (14,040)	\$ 1,344,576	1,433,031.00	1,346,531	\$ 1,955
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,358,616	\$ (14,040)	\$ 1,344,576	\$ 1,433,031	\$ 1,346,531	\$ 1,955

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2012

CODE ENFORCEMENT - INSPECTIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 168 318	\$ -	\$ 168 318	\$ 196 037	\$ 196 037	\$ 27 719
Supplies	12,896	1 157	14 053	19,557	22,278	8,225
Service charges	5 098	-	5,098	7,240	7,240	2,142
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 186,312</u>	<u>\$ 1,157</u>	<u>\$ 187 469</u>	<u>\$ 222,834</u>	<u>\$ 225,555</u>	<u>\$ 38,086</u>

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 15 081 135	\$ (392 090)	\$ 14,689,045	\$ 14 959 499	\$ 14,800,667	\$ 111,622
Supplies	875,424	9 080	884 504	774 007	812,728	(71,776)
Service charges	2,022,866	(840)	2 022 026	2 236 466	2 363 679	341 653
Capital outlay	409,707	71,203	480,910	731,000	695,787	214,877
Total expenditures	<u>\$ 18,389,132</u>	<u>\$ (312,647)</u>	<u>\$ 18,076,485</u>	<u>\$ 18,700,972</u>	<u>\$ 18,672,861</u>	<u>\$ 596,376</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION
YEAR ENDED JUNE 30, 2012

PUBLIC WORKS - TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 165,726	\$ -	\$ 165,726	\$ 185,736	\$ 185,736	\$ 20,010
Supplies	65,261	(25,643)	39,618	65,345	65,345	25,727
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 230,987	\$ (25,643)	\$ 205,344	\$ 251,081	\$ 251,081	\$ 45,737

PUBLIC WORKS - PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 68,405	\$ -	\$ 68,405	\$ 88,157	\$ 88,157	\$ 19,752
Supplies	22,588	3,664	26,252	22,000	23,204	(3,048)
Service charges	193,065	-	193,065	255,530	191,719	(1,346)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 284,058	\$ 3,664	\$ 287,722	\$ 365,687	\$ 303,080	\$ 15,358

PUBLIC WORKS - ENGINEERING & CAPITAL PROJECTS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	29,700	(29,700)	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 29,700	\$ (29,700)	\$ -	\$ -	\$ -	\$ -

PUBLIC WORKS - FLEET MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 384,590	\$ -	\$ 384,590	\$ 361,624	\$ 361,639	\$ (22,951)
Supplies	509,965	(561)	509,404	565,370	496,185	(13,219)
Service charges	117,697	8,113	125,810	53,784	120,594	(5,216)
Capital outlay	309	2,359	2,668	-	2,360	(308)
Total expenditures	\$ 1,012,561	\$ 9,911	\$ 1,022,472	\$ 980,778	\$ 980,778	\$ (41,694)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2012

PUBLIC WORKS - GENERAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 357,546		\$ 357,546	\$ 424,550	\$ 384,550	\$ 27,004
Supplies	197,544	25	197,569	200,000	200,000	2,431
Service charges	-		-	-	-	-
Capital outlay	-		-	-	-	-
Total expenditures	\$ 555,090	\$ 25	\$ 555,115	\$ 624,550	\$ 584,550	\$ 29,435

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 603,755	\$ -	\$ 603,755	\$ 607,326	\$ 607,409	\$ 3,654
Supplies	31,462	445	31,907	33,000	31,182	(725)
Service charges	83,620	102,700	186,320	156,900	220,450	34,130
Capital outlay	791	-	791	-	792	1
Total expenditures	\$ 719,628	\$ 103,145	\$ 822,773	\$ 797,226	\$ 859,833	\$ 37,060

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,580,022	\$ -	\$ 1,580,022	\$ 1,667,393	\$ 1,627,491	\$ 47,469
Supplies	826,820	(22,070)	804,750	885,715	815,916	11,166
Service charges	424,082	81,113	505,195	466,214	532,763	27,568
Capital outlay	1,100	2,359	3,459	-	3,152	(307)
Total expenditures	\$ 2,832,024	\$ 61,402	\$ 2,893,426	\$ 3,019,322	\$ 2,979,322	\$ 85,896

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION
YEAR ENDED JUNE 30, 2012

CODE ENFORCEMENT - HUMANE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 107,800	\$ -	\$ 107,800	\$ 79,314	\$ 107,184	\$ (616)
Supplies	1,788	(130)	1,658	2,849	3,090	1,432
Service charges	995	(725)	270	3,000	3,000	2,730
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 110,583</u>	<u>\$ (855)</u>	<u>\$ 109,728</u>	<u>\$ 85,163</u>	<u>\$ 113,274</u>	<u>\$ 3,546</u>

COUNCIL ON AGING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 269,099	\$ -	\$ 269,099	\$ 250,111	\$ 270,071	\$ 972
Supplies	3,919	-	3,919	4,500	1,287	(2,632)
Service charges	576	-	576	10,927	580	4
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 273,594</u>	<u>\$ -</u>	<u>\$ 273,594</u>	<u>\$ 265,538</u>	<u>\$ 271,938</u>	<u>\$ (1,656)</u>

TOTAL - HEALTH AND WELFARE FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 376,899	\$ -	\$ 376,899	\$ 329,425	\$ 377,255	\$ 356
Supplies	5,707	(130)	5,577	7,349	4,377	(1,200)
Service charges	1,571	(725)	846	13,927	3,580	2,734
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 384,177</u>	<u>\$ (855)</u>	<u>\$ 383,322</u>	<u>\$ 350,701</u>	<u>\$ 385,212</u>	<u>\$ 1,890</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION
YEAR ENDED JUNE 30, 2012

LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 118,776	\$ -	\$ 118,776	\$ 101,391	\$ 118,732	\$ (44)
Supplies	72,302	(1,422)	70,880	49,190	71,190	310
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 191,078	\$ (1,422)	\$ 189,656	\$ 150,581	\$ 189,922	\$ 266

TOURISM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 50,588	\$ -	\$ 50,588	\$ 49,946	\$ 50,413	\$ (175)
Supplies	44,703	-	44,703	48,000	44,599	(104)
Service charges	13,344	-	13,344	13,000	13,187	(157)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 108,635	\$ -	\$ 108,635	\$ 110,946	\$ 108,199	\$ (436)

CULTURE & RECREATION - HUMANITIES AND MUSEUMS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 81,448	\$ -	\$ 81,448	\$ 80,927	\$ 81,173	\$ (275)
Supplies	44,085	-	44,085	47,000	44,146	61
Service charges	139,162	-	139,162	112,800	139,053	(109)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 264,695	\$ -	\$ 264,695	\$ 240,727	\$ 264,372	\$ (323)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2012

RECREATION - ATHLETICS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1 220 844		\$ 1 220 844	\$ 1 159 188	\$ 1 217 958	\$ (2 886)
Supplies	115,161	(1 756)	113,405	116,500	98 430	(14,975)
Service charges	497 268	60	497,328	517 667	495 748	(1 580)
Capital outlay	306		306	2,000	307	1
Total expenditures	\$ 1 833 579	\$ (1 696)	\$ 1 831 883	\$ 1,795,355	\$ 1,812 443	\$ (19,440)

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1 245 515		\$ 1 245 515	\$ 1 306,141	\$ 1,250 667	\$ 5 152
Supplies	169,011	610	\$ 169,621	184 233	175 012	5,391
Service charges	90 737	2 914	93 651	155,000	123 122	29,471
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,505,263	\$ 3,525	\$ 1,508,788	\$ 1,645,374	\$ 1,548,801	\$ 40,013

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 54,289	\$ -	\$ 54,289	\$ 53 386	\$ 57 567	\$ 3 278
Supplies	6	-	6	1 400	1,400	1 394
Service charges	56 060	4 487	60 547	48 500	57 044	(3 503)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 110,355	\$ 4,487	\$ 114,842	\$ 103,286	\$ 116,011	\$ 1,169

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 2 771 460	-	\$ 2 771 460	\$ 2 750,979	\$ 2 776 510	\$ 5 050
Supplies	445 268	(2 568)	442 700	446 323	434 777	(7,923)
Service charges	796 571	7 462	804 033	846 967	828 154	24 122
Capital outlay	306		306	2,000	307	1
Total expenditures	\$ 4,013 605	\$ 4 893	\$ 4,018 498	\$ 4,046,269	\$ 4,039 748	\$ 21 250

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
TRANSIT FUNCTION
YEAR ENDED JUNE 30, 2012

TOTAL - TRANSIT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	357,888	(234,788)	123,100	188,817	180,778	57,678
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 357,888</u>	<u>\$ (234,788)</u>	<u>\$ 123,100</u>	<u>\$ 188,817</u>	<u>\$ 180,778</u>	<u>\$ 57,678</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GARBAGE COLLECTION AND DISPOSAL FUND
YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Ad valorem tax	\$ 740,692	\$ -	\$ 740,692	\$ 726,107	\$ 726,107	\$ 14,585
Intergovernmental	-	-	-	-	-	-
Charges for services						
Garbage fees and penalties	2,745,907	-	2,745,907	3,035,829	3,035,829	(289,922)
Interest	-	-	-	-	-	-
Total revenues	<u>3,486,599</u>	<u>-</u>	<u>3,486,599</u>	<u>3,761,936</u>	<u>3,761,936</u>	<u>(275,337)</u>
EXPENDITURES						
Public works						
Contractual services	<u>4,156,297</u>	<u>-</u>	<u>4,156,297</u>	<u>4,129,001</u>	<u>4,129,001</u>	<u>(27,296)</u>
Total expenditures	<u>4,156,297</u>	<u>-</u>	<u>4,156,297</u>	<u>4,129,001</u>	<u>4,129,001</u>	<u>(27,296)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(669,698)</u>	<u>-</u>	<u>(669,698)</u>	<u>(367,065)</u>	<u>(367,065)</u>	<u>(302,633)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	669,698	-	669,698	367,065	367,065	302,633
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>669,698</u>	<u>-</u>	<u>669,698</u>	<u>367,065</u>	<u>367,065</u>	<u>302,633</u>
Net change in fund balances	-	-	-	-	-	-
Fund balance - beginning of year	<u>165,063</u>	<u>-</u>	<u>165,063</u>	<u>165,063</u>	<u>165,063</u>	<u>-</u>
Fund balance - end of year	<u>\$ 165,063</u>	<u>\$ -</u>	<u>\$ 165,063</u>	<u>\$ 165,063</u>	<u>\$ 165,063</u>	<u>\$ -</u>

See accompanying note to budgetary comparison schedules

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREETS AND DRAINAGE FUND
YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Ad valorem tax	\$ 740,512	\$ -	\$ 740,512	\$ 687,278	\$ 687,278	\$ 53,234
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>740,512</u>	<u>-</u>	<u>740,512</u>	<u>687,278</u>	<u>687,278</u>	<u>53,234</u>
EXPENDITURES						
Public works						
Personnel	1,323,216	-	1,323,216	1,349,797	1,349,797	26,581
Supplies	177,359	(8,567)	168,792	205,065	197,371	28,579
Service charges	<u>7,693</u>	<u>-</u>	<u>7,693</u>	<u>-</u>	<u>7,694</u>	<u>1</u>
Total expenditures	<u>1,508,268</u>	<u>(8,567)</u>	<u>1,499,701</u>	<u>1,554,862</u>	<u>1,554,862</u>	<u>55,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(767,756)</u>	<u>8,567</u>	<u>(759,189)</u>	<u>(867,584)</u>	<u>(867,584)</u>	<u>108,395</u>
OTHER FINANCING SOURCES						
Transfers in	<u>767,756</u>	<u>-</u>	<u>767,756</u>	<u>867,584</u>	<u>867,584</u>	<u>(99,828)</u>
Net change in fund balance	-	8,567	8,567	-	-	8,567
Fund balance - beginning of year	<u>5,935</u>	<u>-</u>	<u>5,935</u>	<u>5,935</u>	<u>5,935</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,935</u>	<u>\$ 8,567</u>	<u>\$ 14,502</u>	<u>\$ 5,935</u>	<u>\$ 5,935</u>	<u>\$ 8,567</u>

See accompanying note to budgetary comparison schedules

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTING FUND
YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Ad valorem tax	\$ 10	\$ -	\$ 10	\$ -	\$ -	\$ 10
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>
EXPENDITURES						
Personnel	230,156	-	230,156	229,557	238,228	8,072
Supplies	63,102	(10,977)	52,125	80,000	55,684	3,559
Service charges	<u>930,842</u>	<u>-</u>	<u>930,842</u>	<u>905,000</u>	<u>960,645</u>	<u>29,803</u>
Total expenditures	<u>1,224,100</u>	<u>(10,977)</u>	<u>1,213,123</u>	<u>1,214,557</u>	<u>1,254,557</u>	<u>41,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,224,090)</u>	<u>10,977</u>	<u>(1,213,113)</u>	<u>(1,214,557)</u>	<u>(1,254,557)</u>	<u>41,444</u>
OTHER FINANCING SOURCES						
Transfers in	<u>1,224,090</u>	<u>-</u>	<u>1,224,090</u>	<u>1,214,557</u>	<u>1,254,557</u>	<u>(30,467)</u>
Net change in fund balance	-	10,977	10,977	-	-	10,977
Fund balance - beginning of year	<u>13,167</u>	<u>-</u>	<u>13,167</u>	<u>13,167</u>	<u>13,167</u>	<u>-</u>
Fund balance - end of year	<u>\$ 13,167</u>	<u>\$ 10,977</u>	<u>\$ 24,144</u>	<u>\$ 13,167</u>	<u>\$ 13,167</u>	<u>\$ 10,977</u>

See accompanying note to budgetary comparison schedules

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AD VALOREM TAX BONDS FUND
YEAR ENDED JUNE 30, 2012

	ADJUSTMENT TO BUDGETARY			BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE
	ACTUAL	BASIS	BUDGETARY	ORIGINAL	FINAL	(NEGATIVE)
REVENUES						
Taxes						
Ad valorem tax	\$ 1,973,523	\$ -	\$ 1,973,523	\$ 1,973,480	\$ 1,973,480	\$ 43
Interest on invested funds	9	-	9	-	-	9
Total revenues	1,973,532	-	1,973,532	1,973,480	1,973,480	52
EXPENDITURES						
Debt service						
Principal	1,490,000	-	1,490,000	1,490,000	1,490,000	-
Interest and fiscal charges	483,480	-	483,480	483,480	483,480	-
Agent fees	-	-	-	-	-	-
Total expenditures	1,973,480	-	1,973,480	1,973,480	1,973,480	-
Excess (deficiency) of revenues over (under) expenditures	52	-	52	-	-	52
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIREMEN'S PENSION MERGER FUND
YEAR ENDED JUNE 30, 2012

	ADJUSTMENT TO BUDGETARY			BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE
	ACTUAL	BASIS	BUDGETARY	ORIGINAL	FINAL	(NEGATIVE)
REVENUES						
Taxes						
Fire insurance premium	\$ 251,952	\$ -	\$ 251,952	\$ 269,814	\$ 269,814	\$ (17,862)
Interest on invested funds	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	251,952	-	251,952	269,814	269,814	(17,862)
EXPENDITURES						
Debt service						
Principal	70,643	-	70,643	70,644	70,644	1
Interest and fiscal charges	167,060	-	167,060	167,061	167,061	1
Total expenditures	237,703	-	237,703	237,705	237,705	2
Excess (deficiency) of revenues over (under) expenditures	14,249	-	14,249	32,109	32,109	(17,860)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	14,249	-	14,249	32,109	32,109	(17,860)
Fund balance - beginning of year	675,705	-	675,705	675,705	675,705	-
Fund balance - end of year	\$ 689,954	\$ -	\$ 689,954	\$ 707,814	\$ 707,814	\$ (17,860)

**CITY OF KENNER, LOUISIANA
ENTERPRISE FUND DESCRIPTIONS
JUNE 30, 2012**

ENTERPRISE FUNDS

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services

DEPARTMENT OF WASTEWATER OPERATIONS FUND

The Department of Wastewater Operations Fund accounts for the sewer services provided to the residents of the City of Kenner

CIVIC CENTER OPERATIONS FUND

The Civic Center Operations Fund accounts for the operations of the Pontchartrain Civic Center

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WASTEWATER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJ TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services						
Sewerage service charges	\$ 5,670,289	\$ -	\$ 5,670,289	\$ 6,136,016	\$ 6,136,016	\$ (465,727)
Miscellaneous	-	-	-	1,000	1,000	(1,000)
Total operating revenues	5,670,289	-	5,670,289	6,137,016	6,137,016	(466,727)
OPERATING EXPENSES						
Supplies and other expenses	99	-	99	-	-	(99)
Building and maintenance expenses	56,918	-	56,918	65,000	100,210	43,292
Outside services	5,803,143	-	5,803,143	5,755,045	5,783,746	(19,397)
Insurance claims	-	-	-	-	-	-
Insurance premiums	-	-	-	-	-	-
Depreciation	2,273,640	(2,273,640)	-	-	-	-
Other	15,427	-	15,427	15,500	15,678	251
Total operating expenses	8,149,227	(2,273,640)	5,875,587	5,835,545	5,899,634	24,047
Operating income (loss)	(2,478,938)	2,273,640	(205,298)	301,471	237,382	(442,680)
NON-OPERATING REVENUES (EXPENSES)						
Ad valorem taxes	524,658	-	524,658	514,326	514,326	10,332
Hotel/motel taxes	-	-	-	-	-	-
Cable television franchise fees	-	-	-	-	-	-
Operating grants	13,835	-	13,835	-	-	13,835
Interest income	957	-	957	200	200	757
Interest expense	(332,875)	-	(332,875)	(400,000)	(335,911)	3,036
Total non-operating revenues (expenses)	206,575	-	206,575	114,526	178,615	27,960
Income (loss) before contributions and transfers	(2,272,363)	2,273,640	1,277	415,997	415,997	(414,720)
Capital contributions	5,381,768	(5,381,768)	-	-	-	-
Transfer in	1,100,750	(1,100,750)	-	-	-	-
Transfer out	(415,997)	-	(415,997)	-	(415,997)	-
Change in net assets	3,794,158	(4,208,878)	(414,720)	415,997	-	(414,720)
Net assets - beginning of year	51,499,918	-	51,499,918	51,499,918	51,499,918	-
Net assets - end of year	\$ 55,294,076	\$ (4,208,878)	\$ 51,085,198	\$ 51,915,915	\$ 51,499,918	\$ (414,720)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
CIVIC CENTER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	ACTUAL	ADJ TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services						
Rental charges	\$ 781,637	\$ -	\$ 781,637	\$ 600,000	\$ 600,000	\$ 181,637
Parking	55,960	-	55,960	55,000	55,000	960
Concessions	79,963	-	79,963	65,000	65,000	14,963
Catering	104,382	-	104,382	80,000	80,000	24,382
Reimbursed services	398,027	-	398,027	353,400	353,400	44,627
Advertising	5,761	-	5,761	15,900	15,900	(10,139)
Miscellaneous	16,260	-	16,260	6,100	6,100	10,160
Total charges for services	1,441,990	-	1,441,990	1,175,400	1,175,400	266,590
Miscellaneous	8,872	-	8,872	11,000	11,000	(2,128)
Total operating revenues	1,450,862	-	1,450,862	1,186,400	1,186,400	264,462
OPERATING EXPENSES						
Supplies and other expenses	27,492	-	27,492	26,250	26,250	(1,242)
Building and maintenance expense	706,862	-	706,862	706,862	706,862	-
Outside services	1,312,371	729	1,313,100	1,189,890	1,189,890	(123,210)
Insurance premiums	85,885	-	85,885	107,150	107,150	21,265
General expenses	-	-	-	-	-	-
Depreciation	1,210,422	(1,210,422)	-	-	-	-
Other	16,225	-	16,225	-	-	(16,225)
Total operating expenses	3,359,257	(1,209,693)	2,149,564	2,030,152	2,030,152	(119,412)
Operating Income (loss)	(1,908,395)	1,209,693	(698,702)	(843,752)	(843,752)	145,050
NON-OPERATING REVENUES (EXPENSES)						
Hotel/motel taxes	304,110	-	304,110	423,753	423,753	(119,643)
Cable television franchise fees	403,104	-	403,104	410,716	410,716	(7,612)
Interest income	3,496	-	3,496	17,500	17,500	(14,004)
Capital improvements	-	1,109,523	1,109,523	1,109,523	1,109,523	-
Total non-operating revenues	710,710	1,109,523	1,820,233	1,961,492	1,961,492	(141,259)
Income(loss) before contributions, transfers, and extraordinary item	(1,197,685)	2,319,216	1,121,531	1,117,740	1,117,740	3,791
Transfers out	(1,076,777)	-	(1,076,777)	(1,076,777)	(1,076,777)	-
Change in net assets	(2,274,462)	2,319,216	44,754	40,963	40,963	3,791
Net assets - beginning of year	18,465,696	-	18,465,696	18,465,696	18,465,696	-
Net assets - end of year	\$ 16,191,234	\$ 2,319,216	\$ 18,510,450	\$ 18,506,659	\$ 18,506,659	\$ 3,791

**CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2012**

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis

SELF-INSURANCE FUND

The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage and worker's compensation for which the City is self-insured

HEALTH INSURANCE FUND

The Health Insurance Fund accounts for monies accumulated to pay the health insurance premiums

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
ASSETS			
Cash	\$ 448,571	\$ 384,935	\$ 833,506
Equity in pooled cash	-	6,770	6,770
Investments	-	-	-
Due from other funds	-	-	-
	<u>448,571</u>	<u>391,705</u>	<u>840,276</u>
Total assets			
	<u>448,571</u>	<u>391,705</u>	<u>840,276</u>
LIABILITIES			
Accounts payable	6,870	-	6,870
Estimated claims payable	4,827,102	-	4,827,102
Due to other funds	138,112	384,108	522,220
	<u>4,972,084</u>	<u>384,108</u>	<u>5,356,192</u>
Total liabilities			
	<u>4,972,084</u>	<u>384,108</u>	<u>5,356,192</u>
NET ASSETS			
Unrestricted	<u>\$ (4,523,513)</u>	<u>\$ 7,597</u>	<u>\$ (4,515,916)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
OPERATING REVENUES			
Charges for services	\$ 550,000	\$ 4,623,463	\$ 5,173,463
OPERATING EXPENSES			
Outside services	106,366	-	106,366
Insurance claims	1,015,116	-	1,015,116
Insurance premiums	-	4,623,526	4,623,526
Total operating expenses	1,121,482	4,623,526	5,745,008
Operating income	(571,482)	(63)	(571,545)
NON-OPERATING REVENUE (EXPENSE)			
Interest revenue	(2,584)	63	(2,521)
Total non-operating revenue	(2,584)	63	(2,521)
Income before transfers	(574,066)	-	(574,066)
Transfers in	-	-	-
Change in net assets	(574,066)	-	(574,066)
Net assets - beginning of year	(3,949,447)	7,597	(3,941,850)
Net assets - end of year	\$ (4,523,513)	\$ 7,597	\$ (4,515,916)

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Cash flows from operating activities:			
Receipts from insured	\$ 550,000	\$ 4,623,463	\$ 5,173,463
Payments to suppliers	(1,296,280)	(4,623,526)	(5,919,806)
Internal activity - payments from other funds	(60,936)	-	(60,936)
Net cash used for operating activities	<u>(807,216)</u>	<u>(63)</u>	<u>(807,279)</u>
Cash flows from non-capital financing activities:			
Internal activity-receipts from other funds	-	21,891	21,891
Net cash provided by non-capital financing activities	<u>-</u>	<u>21,891</u>	<u>21,891</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	1,045,678	-	1,045,678
Purchases of investments	(707,809)	-	(707,809)
Interest and dividends received	(2,459)	63	(2,396)
Net cash provided by investing activities	<u>335,410</u>	<u>63</u>	<u>335,473</u>
Net increase (decrease) in cash and cash equivalents	(471,806)	21,891	(449,915)
Cash and cash equivalents, beginning of year	<u>920,377</u>	<u>369,814</u>	<u>1,290,191</u>
Cash and cash equivalents, end of year	<u>\$ 448,571</u>	<u>\$ 391,705</u>	<u>\$ 840,276</u>
Reconciliation to Statement of Net Assets:			
Cash	\$ 448,571	\$ 384,935	\$ 833,506
Equity in pooled cash	-	6,770	6,770
Cash and cash equivalents, end of year	<u>\$ 448,571</u>	<u>\$ 391,705</u>	<u>\$ 840,276</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income	\$ (571,482)	\$ (63)	\$ (571,545)
Adjustments to reconcile operating income to net cash provided by operating activities			
Change in assets and liabilities			
Decrease in due from other funds	-	-	-
Increase in accounts payable	6,869	-	6,869
Decrease in estimated claims payable	(181,667)	-	(181,667)
Increase in due to other funds	(60,936)	-	(60,936)
Total adjustments	<u>(235,734)</u>	<u>-</u>	<u>(235,734)</u>
Net cash provided by (used for) operating activities	<u>\$ (807,216)</u>	<u>\$ (63)</u>	<u>\$ (807,279)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Noncash investing, capital, and financing activities:			
Gain on fair market value of investments	\$ -	\$ -	\$ -
(Increase) in fair market value of investments	<u>-</u>	<u>-</u>	<u>-</u>
 Net effect of noncash activities	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**CITY OF KENNER, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
YEAR ENDED JUNE 30, 2012**

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Jeannie Black	365	26,790
Michele Branigan	365	26,888
Gregory Carroll	365	20,637
Maria Defrancesch	365	20,687
John Dehaven	99	5,636
Kent Denapolis	365	21,004
Keith Reynaud	55	2,381
Joseph Stagni	365	21,087
Ben Zahn	189	11,934

STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health

Contents

Schedules

Financial Trends

1 - 4

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time

Revenue Capacity

5 - 9

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax

Debt Capacity

10 - 14

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future

Demographic and Economic Information

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place

Operating Information

17 - 19

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs

Sources Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003, schedules presenting government-wide information include information beginning in that year

CITY OF KENNER, LOUISIANA
SCHEDULE 1 – NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Governmental activities							
Invested in capital assets, net of related debt	\$ 256,363,785	\$ 248,306,577	\$ 244,639,856	\$ 234,218,393	\$ 226,326,766	\$ 205,360,570	\$ 176,582,658
Restricted	21,009,433	23,398,322	27,218,388	22,121,215	18,214,320	17,903,956	29,772,780
Unrestricted	14,879,543	15,404,612	7,235,778	1,516,876	(2,398,068)	(127,032)	2,692,277
Total governmental activities net assets	\$ 292,252,761	\$ 287,109,511	\$ 279,094,022	\$ 257,856,484	\$ 242,143,018	\$ 223,137,494	\$ 209,047,714
Business-type activities							
Invested in capital assets, net of related debt	\$ 70,241,549	\$ 72,959,236	\$ 72,161,240	\$ 70,647,425	\$ 67,464,821	\$ 70,674,888	\$ 72,572,594
Restricted	-	-	-	-	-	-	-
Unrestricted	5,684,420	5,282,191	2,795,799	2,238,244	618,663	(709,274)	(1,087,284)
Total business-type activities net assets	\$ 75,925,969	\$ 78,241,427	\$ 74,957,039	\$ 72,885,669	\$ 68,083,484	\$ 69,965,614	\$ 71,485,310
Primary government							
Invested in capital assets, net of related debt	\$ 326,605,334	\$ 321,265,813	\$ 316,801,096	\$ 304,865,818	\$ 293,791,587	\$ 276,035,458	\$ 249,155,252
Restricted	21,009,433	23,398,322	27,218,388	22,121,215	18,214,320	17,903,956	29,772,780
Unrestricted	20,563,963	20,686,803	10,031,577	3,755,120	(1,779,405)	(836,306)	1,604,993
Total primary government net assets	\$ 368,178,730	\$ 365,350,938	\$ 354,051,061	\$ 330,742,153	\$ 310,226,502	\$ 293,103,108	\$ 280,533,024

Source Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Expenses							
Governmental activities							
General government	\$ 16,926,989	\$ 12,907,101	\$ 13,289,818	\$ 13,018,580	\$ 12,445,711	\$ 13,331,542	\$ 13,518,067
Public safety	28,711,953	29,353,249	27,769,729	28,264,207	28,176,202	28,981,374	30,120,747
Public works	59,920,613	33,441,899	27,424,676	36,922,961	30,431,909	36,657,670	31,743,384
Health and welfare	866,376	878,512	899,891	981,103	927,097	756,235	478,916
Culture and recreation	6,199,348	6,247,393	6,914,409	7,250,042	9,550,670	7,066,031	6,075,269
Transit and urban development	1,219,917	1,439,340	1,767,208	1,672,568	1,981,932	1,537,013	5,065,979
Miscellaneous	-	-	-	-	-	-	-
Interest on long-term debt and other charges	2,673,906	2,454,040	2,229,839	2,044,374	1,858,468	1,688,282	1,696,804
Total governmental activities expenses	<u>116,519,102</u>	<u>86,721,534</u>	<u>80,295,570</u>	<u>90,153,835</u>	<u>85,371,989</u>	<u>90,018,147</u>	<u>88,699,166</u>
Business-type activities							
Wastewater operations	6,822,502	7,575,122	7,654,289	7,337,405	7,282,712	7,233,176	8,482,102
Civic center operations	2,262,446	2,514,437	3,286,880	3,149,541	3,156,767	3,321,275	3,359,257
Total business-type activities expenses	<u>9,084,948</u>	<u>10,089,559</u>	<u>10,941,169</u>	<u>10,486,946</u>	<u>10,439,479</u>	<u>10,554,451</u>	<u>11,841,359</u>
Total primary government expenses	<u>\$ 125,604,050</u>	<u>\$ 96,811,093</u>	<u>\$ 91,236,739</u>	<u>\$ 100,640,781</u>	<u>\$ 95,811,468</u>	<u>\$ 100,572,598</u>	<u>\$ 100,540,525</u>
Program Revenues							
Governmental activities							
Charges for services							
General government	\$ 5,386,009	\$ 5,960,491	\$ 4,803,865	\$ 5,607,294	\$ 5,959,847	\$ 6,794,368	\$ 8,101,475
Public safety	2,915,463	2,939,746	3,157,328	3,264,140	4,828,953	3,456,639	3,529,877
Public works	3,229,627	3,566,541	3,582,874	3,548,013	4,027,778	4,303,084	3,975,986
Other activities	1,055,042	1,210,952	1,119,940	1,157,862	1,325,504	1,405,306	1,143,772
Operating grants and contributions	33,969,171	6,184,413	1,485,783	2,736,962	2,321,055	2,497,951	1,528,912
Capital grants and contributions	2,713,108	1,016,018	1,722,264	1,104,317	3,617,474	1,810,855	7,238,923
Total governmental activities program revenues	<u>49,268,420</u>	<u>20,878,161</u>	<u>15,872,054</u>	<u>17,418,589</u>	<u>22,080,611</u>	<u>20,268,203</u>	<u>25,518,945</u>
Business-type activities							
Charges for services							
Wastewater operations	3,654,041	3,836,783	3,560,457	3,558,879	3,517,961	4,399,069	5,670,289
Civic center operations	849,424	1,338,906	1,432,841	1,297,787	1,266,846	1,258,957	1,441,990
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	5,731,335	1,011,405	1,523,258	2,020,875	325,899	6,706,005	-
Total business-type activities program revenues	<u>10,234,800</u>	<u>6,187,094</u>	<u>6,516,556</u>	<u>6,877,541</u>	<u>5,110,706</u>	<u>12,364,031</u>	<u>7,112,279</u>
Total primary government program revenues	<u>\$ 59,503,220</u>	<u>\$ 27,065,255</u>	<u>\$ 22,388,610</u>	<u>\$ 24,296,130</u>	<u>\$ 27,191,317</u>	<u>\$ 32,632,234</u>	<u>\$ 32,631,224</u>

(Continued)

Source Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS (CONTINUED)
(accrual basis of accounting)
(Unaudited)

	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Net (Expense) Revenue							
Governmental activities	\$ (67,250,682)	\$ (65,843,373)	\$ (64,423,516)	\$ (72,735,246)	\$ (63,291,378)	\$ (69,749,944)	\$ (63,180,221)
Business-type activities	1,149,852	(3,902,465)	(4,424,613)	(3,609,405)	(5,328,773)	1,809,580	652,688
Total primary government net expense	<u>\$ (66,100,830)</u>	<u>\$ (69,745,838)</u>	<u>\$ (68,848,129)</u>	<u>\$ (76,344,651)</u>	<u>\$ (68,620,151)</u>	<u>\$ (67,940,364)</u>	<u>\$ (62,527,533)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities							
Taxes							
Ad valorem	\$ 7,107,144	\$ 6,699,015	\$ 7,717,615	\$ 7,752,642	\$ 7,479,348	\$ 7,940,366	\$ 7,876,865
Sales and use	37,224,188	37,656,053	34,844,151	31,580,500	29,758,967	30,788,076	30,371,384
Beer tax	92,224	88,947	86,346	80,061	77,085	70,485	77,787
Parking	1,392,586	1,850,618	1,967,173	1,932,718	1,864,772	1,952,097	2,007,642
Franchise	9,122,764	8,501,548	8,290,040	8,044,911	7,648,751	8,142,735	7,926,562
Unrestricted grants and contributions	436,183	1,015,006	609,237	1,067,893	118,139	313,757	164,992
Investment earnings	1,321,158	1,771,428	1,190,080	312,019	40,466	56,054	35,278
Miscellaneous	899,720	3,542,060	276,211	844,350	240,378	190,806	237,906
Gain (loss) on disposal of capital assets	(54,627)	-	-	-	-	85,951	-
Transfers	(903,228)	(424,547)	1,427,171	(225,000)	-	1,204,100	392,024
Total governmental activities	<u>56,638,112</u>	<u>60,700,128</u>	<u>56,408,024</u>	<u>51,390,094</u>	<u>47,227,906</u>	<u>50,744,427</u>	<u>49,090,440</u>
Business-type activities							
Taxes							
Ad valorem	478,714	445,939	452,936	509,652	522,429	512,750	524,658
Sales and use	489,735	196,045	144,116	340,181	382,424	340,181	304,110
Franchise	264,847	354,778	402,066	439,614	454,143	421,522	403,104
Unrestricted grants and contributions	-	587,691	495,394	-	2,552	97	13,835
Investment earnings	126,395	166,101	40,033	5,642	1,139	942	4,453
Miscellaneous	14,268	32,610	19,574	17,945	11,545	1,158	8,872
Gain (loss) on disposal of capital assets	676,624	-	-	-	-	-	-
Proceeds from insurance	-	4,010,212	1,013,277	-	-	-	-
Transfers	903,228	424,547	(1,427,171)	225,000	(497,644)	(1,204,100)	(392,024)
Total business-type activities	<u>2,953,811</u>	<u>6,217,923</u>	<u>1,140,225</u>	<u>1,538,034</u>	<u>876,588</u>	<u>72,550</u>	<u>867,008</u>
Total primary government	<u>\$ 59,591,923</u>	<u>\$ 66,918,051</u>	<u>\$ 57,548,249</u>	<u>\$ 52,928,128</u>	<u>\$ 48,104,494</u>	<u>\$ 50,816,977</u>	<u>\$ 49,957,448</u>
Change in Net Assets							
Governmental activities	\$ (10,612,570)	\$ (5,143,245)	\$ (8,015,492)	\$ (21,345,152)	\$ (16,063,472)	\$ (19,005,517)	\$ (14,089,781)
Business-type activities	4,103,663	2,315,458	(3,284,388)	(2,071,371)	(4,452,185)	1,882,130	1,519,696
Total primary government	<u>\$ (6,508,907)</u>	<u>\$ (2,827,787)</u>	<u>\$ (11,299,880)</u>	<u>\$ (23,416,523)</u>	<u>\$ (20,515,657)</u>	<u>\$ (17,123,387)</u>	<u>\$ (12,570,085)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
General fund					
Reserved	\$ 7,338,139	\$ 1,534,036	\$ 1,807,313	\$ 3,488,905	\$ 3,015,687
Unreserved	3,978,777	9,192,906	8,566,552	11,923,761	14,548,014
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 11,316,916</u>	<u>\$ 10,726,942</u>	<u>\$ 10,373,865</u>	<u>\$ 15,412,666</u>	<u>\$ 17,563,701</u>
All other governmental funds					
Reserved	\$ 7,557,497	\$ 7,369,895	\$ 12,612,559	\$ 8,873,307	\$ 8,263,025
Unreserved, reported in					
Special revenue funds	596,819	1,068,431	850,335	101,618	383,160
Capital projects funds	30,864,692	27,038,670	13,873,112	12,298,987	14,252,947
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 39,019,008</u>	<u>\$ 35,476,996</u>	<u>\$ 27,336,006</u>	<u>\$ 21,273,912</u>	<u>\$ 22,899,132</u>

(Continued)

Source Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
General fund					
Reserved	\$ 2,731,484	\$ 3,067,891	\$ 1,513,885	\$ -	\$ -
Unreserved	10,372,283	5,767,289	6,480,932	-	-
Nonspendable	-	-	-	489,360	527,355
Restricted	-	-	-	1,986,029	2,186,205
Committed	-	-	-	410,554	939,732
Assigned	-	-	-	2,012,582	3,502,878
Unassigned	-	-	-	7,686,775	6,561,410
Total general fund	<u>\$ 13,103,767</u>	<u>\$ 8,835,180</u>	<u>\$ 7,994,817</u>	<u>\$ 12,585,300</u>	<u>\$ 13,717,580</u>
All other governmental funds					
Reserved	\$ 5,064,190	\$ 5,363,166	\$ 4,603,768	\$ -	\$ -
Unreserved, reported in					
Special revenue funds	472,611	530,256	597,914	-	-
Capital projects funds	20,811,754	16,585,811	13,097,466	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	18,601,334	30,833,246
Committed	-	-	-	70,291	2,016,844
Assigned	-	-	-	-	-
Unassigned	-	-	-	(396,366)	165,063
Total all other governmental funds	<u>\$ 26,348,555</u>	<u>\$ 22,479,233</u>	<u>\$ 18,299,148</u>	<u>\$ 18,275,259</u>	<u>\$ 33,015,153</u>

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues					
Taxes	\$ 44,303,236	\$ 48,272,274	\$ 49,244,807	\$ 53,238,001	\$ 54,009,655
Licenses and permits	2,618,274	2,687,581	2,823,174	2,681,243	3,148,087
Intergovernmental	4,026,343	3,914,996	5,730,564	38,022,399	9,133,635
Charges for services	3,356,027	3,450,591	4,324,475	2,807,703	3,262,439
Fines and forfeitures	2,613,318	2,472,038	1,922,748	1,470,243	1,765,365
Interest	337,857	229,500	828,905	1,161,375	1,590,888
Premium on bonds issued	-	-	-	-	-
Miscellaneous	943,194	1,560,180	1,481,979	1,765,627	4,434,300
Total revenues	<u>58,198,249</u>	<u>62,587,160</u>	<u>66,356,652</u>	<u>101,146,591</u>	<u>77,344,369</u>
Expenditures					
General government	9,471,276	9,446,197	9,326,088	15,872,062	11,312,207
Public safety	23,103,465	23,412,514	22,855,609	24,607,342	26,286,768
Public works	30,259,491	16,770,248	25,165,435	43,955,321	19,286,746
Health and welfare	762,666	675,729	736,402	768,738	813,585
Culture and recreation	7,106,462	6,779,011	5,958,943	7,072,612	6,174,965
Transit and urban development	1,037,821	1,333,340	1,340,747	1,216,410	1,379,316
Miscellaneous	1,236,095	1,103,691	1,232,809	-	-
Debt Service					
Principal	3,579,096	4,933,939	5,207,731	4,957,148	5,120,020
Interest and fiscal charges	2,373,071	2,966,450	2,990,955	2,781,023	2,551,708
Agent fees	1,247,745	49,905	-	-	-
Debt issuance costs	-	-	-	-	-
Miscellaneous	18,000	34,500	36,000	36,000	36,000
Total expenditures	<u>80,195,188</u>	<u>67,505,524</u>	<u>74,850,719</u>	<u>101,266,656</u>	<u>72,961,315</u>
Excess (deficiency) of revenues over (under) expenditures	(21,996,939)	(4,918,364)	(8,494,067)	(120,065)	4,383,054
Other financing sources (uses)					
Transfers in	18,358,647	21,552,254	19,076,976	23,673,849	22,317,271
Transfers out	(18,358,647)	(21,552,254)	(19,076,976)	(24,577,077)	(22,924,071)
Payment to refunded bond escrow agent	(22,070,959)	-	-	-	-
Proceeds of refunding bonds and other debt	59,635,782	-	-	-	-
Total other financing sources (uses)	<u>37,564,823</u>	<u>-</u>	<u>-</u>	<u>(903,228)</u>	<u>(606,800)</u>
Net change in fund balances	<u>\$ 15,567,884</u>	<u>\$ (4,918,364)</u>	<u>\$ (8,494,067)</u>	<u>\$ (1,023,293)</u>	<u>\$ 3,776,254</u>
 Debt service, (interest and principal only) as a percentage of noncapital expenditures	 <u>11.53%</u>	 <u>12.67%</u>	 <u>11.88%</u>	 <u>8.23%</u>	 <u>11.66%</u>

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 51,739,778	\$ 47,986,366	\$ 45,799,281	\$ 47,782,458	\$ 47,822,765
Licenses and permits	3,018,733	2,903,728	4,402,801	3,508,681	3,462,423
Intergovernmental	4,719,364	5,743,213	6,825,921	5,519,796	9,840,654
Charges for services	4,078,054	3,653,004	4,408,484	4,657,430	4,272,206
Fines and forfeitures	1,914,909	1,844,873	2,124,594	2,602,543	2,885,847
Interest	1,065,024	265,958	13,201	27,253	5,188
Miscellaneous	1,065,050	2,001,135	1,458,777	869,151	853,842
Total revenues	67,600,912	64,398,277	65,033,059	64,967,312	69,142,925
Expenditures					
General government	11,268,348	11,210,646	10,457,451	10,490,966	10,874,488
Public safety	25,052,506	25,057,413	24,891,692	24,859,654	26,418,059
Public works	17,405,299	19,521,070	17,940,695	20,653,967	18,150,570
Health and welfare	809,371	741,978	684,543	611,230	384,177
Culture and recreation	6,096,907	6,286,562	8,564,497	5,668,520	4,575,485
Transit and urban development	1,708,333	1,604,607	1,858,565	1,451,668	5,044,566
Miscellaneous	-	-	-	-	-
Debt Service					
Principal	5,348,709	5,562,517	5,946,595	4,580,965	5,944,643
Interest and fiscal charges	2,313,121	2,114,697	1,924,444	1,711,023	1,611,510
Agent fees	-	-	-	-	-
Debt issuance costs	-	-	-	-	417,120
Miscellaneous	36,000	36,000	36,000	36,000	36,000
Total expenditures	70,038,594	72,135,490	72,304,482	70,063,993	73,456,618
Excess (deficiency) of revenues over (under) expenditures	(2,437,682)	(7,737,213)	(7,271,423)	(5,096,681)	(4,313,693)
Other financing sources (uses)					
Transfers in	26,252,654	24,007,673	19,826,803	16,071,100	21,195,128
Transfers out	(24,825,483)	(24,515,984)	(19,608,479)	(14,867,006)	(20,803,921)
Premium on bonds issued	-	-	-	-	190,707
Proceeds of refunding bonds and other debt	-	-	2,032,646	8,459,187	19,603,953
Total other financing sources (uses)	1,427,171	(508,311)	2,250,970	9,663,281	20,185,867
Net change in fund balances	\$ (1,010,511)	\$ (8,245,524)	\$ (5,020,453)	\$ 4,566,600	\$ 15,872,174
Debt service, (interest and principal only) as a percentage of noncapital expenditures	12.69%	11.22%	11.98%	9.11%	10.73%

CITY OF KENNER, LOUISIANA
SCHEDULE 5 – DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS
(Unaudited)

Fiscal Year	City Direct Rate (1)	Overlapping Rates	
		Jefferson Parish (2)	Jefferson Parish School Board
2002	2 5833%	0 1667%	2 0000%
2003	2 5833%	0 1667%	2 0000%
2004	2 5833%	0 1667%	2 0000%
2005	2 5833%	0 1667%	2 0000%
2006	2 5833%	0 1667%	2 0000%
2007	2 5833%	0 1667%	2 0000%
2008	2 5833%	0 1667%	2 0000%
2009	2 5833%	0 1667%	2 0000%
2010	2 5833%	0 1667%	2 0000%
2011	2 5833%	0 1667%	2 0000%
2012	2 5833%	0 1667%	2 0000%

NOTES (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 4 0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4 75% sales tax on purchases within the City of Kenner. From the 4 75% levied by Jefferson Parish, 2 5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4 75% Jefferson Parish sales tax.

(2) Jefferson Parish retains 1 667% of the 4 75% sales tax levied on purchases within the City of Kenner.

(3) Information regarding the breakdown of taxable sales by category is not available.

(4) Information regarding the principal sales tax remitters is not available.

CITY OF KENNER, LOUISIANA
SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Real Estate	Personal Property	Tax Sale	Public Service Corporations	Railway Rolling Stock	Total Assessments	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (1)
2003	\$311,030,813	\$ 68,166,379	\$3,464,023	\$30,730,166	\$ 60,770	\$413,452,151	\$ 107,177,755	\$306,274,396	18 99	\$ 3,804,663,793	8 05%
2004	322,026,628	77,645,279	1,989,158	31,033,936	57,070	432,752,071	107,368,993	325,383,078	27 79	3,965,066,427	8 21%
2005	369,431,810	79,188,729	3,320,253	32,768,233	57,790	484,766,815	110,125,676	374,641,139	24 34	4,474,285,643	8 37%
2006	286,403,720	86,273,418	1,207,933	32,958,375	54,090	406,897,536	88,406,826	318,490,710	23 93	3,671,355,750	8 68%
2007	288,932,430	95,346,480	1,186,233	27,614,404	30,310	413,109,857	88,061,041	325,048,816	23 93	4,034,995,413	8 06%
2008	327,511,670	92,948,219	1,371,023	23,700,582	36,100	445,567,594	93,303,048	352,264,546	23 93	4,371,983,590	8 06%
2009	444,827,980	96,831,156	2,693,550	26,184,409	40,700	570,577,795	106,243,290	464,334,505	18 13	5,295,590,450	8 77%
2010	448,346,980	94,662,776	2,789,130	27,699,147	46,460	573,544,493	105,611,567	467,932,926	18 13	5,327,416,986	8 78%
2011	450,120,302	83,599,919	2,884,080	27,480,863	34,570	564,119,734	105,508,260	458,611,474	18 13	5,270,812,833	8 70%
2012	448,440,989	85,289,971	5,465,150	30,771,874	50,200	570,018,184	103,970,210	466,047,974	18 13	5,313,141,691	8 77%

Source Jefferson Parish Assessor's Office

NOTE Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December, 2008. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property

CITY OF KENNER, LOUISIANA
SCHEDULE 7 -- DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
(Unaudited)

Fiscal Year	City Direct Rates							Overlapping Rate	Total Direct & Overlapping Rates
	Basic Rate	Garbage Collection	Fire Protection	General Obligation Debt Service	Street Maintenance & Improvement	Wastewater Operations	Total Direct	Jefferson Parish Districts (1)	
2003	\$ 3 11	\$ 2 40	\$ 11 02	\$ 0 75	\$ -	\$ 1 71	\$ 18 99	\$ 68 99	\$ 87 98
2004	3 11	2 40	11 02	0 75	8 80	1 71	27 79	69 82	97 61
2005	2 75	2 12	9 76	0 41	7 79	1 51	24 34	67 25	91 59
2006	2 75	2 12	9 76	-	7 79	1 51	23 93	76 95	100 88
2007	2 75	2 12	9 76	-	7 79	1 51	23 93	68 60	92 53
2008	2 75	2 12	9 76	-	7 79	1 51	23 93	63 41	87 34
2009	2 08	1 61	7 40	-	5 90	1 14	18 13	64 46	82 59
2010	2 08	1 61	7 40	-	5 90	1 14	18 13	64 46	82 59
2011	2 08	1 61	7 40	-	5 90	1 14	18 13	64 46	82 59
2012	2 08	1 61	7 40	-	5 90	1 14	18 13	67 05	85 18

(1) Source Jefferson Parish Assessor

CITY OF KENNER, LOUISIANA
SCHEDULE 8 -- PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Taxpayer</u>	<u>June 30, 2012</u>			<u>June 30, 2003</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Five Properties LLC	\$ 8,396,350	1	5 12%			
Esplanade Mall Ltd Partnership	8,225,620	2	5 02%			
Southwest Airlines Co	7,298,330	3	4 45%	\$ 9,487,780	1	2 30%
Westport Petroleum	6,574,756	4	4 01%			
Pellerin Milnor Corp	5,390,172	5	3 29%	2,417,539	7	0 60%
Bellsouth	4,772,135	6	2 91%	4,872,350	3	1 20%
Wal-Mart Real Estate Business Trust	4,458,130	7	2 72%	2,093,358		
Entergy Services	4,297,093	8	2 62%	3,331,091	6	0 80%
Treasure Chest Casino LLC	4,060,158	9	2 48%	3,567,988	4	0 90%
Entergy Louisiana	3,387,860	10	2 07%			
CF Kenner Associates				7,067,660	2	1 70%
Continental Airlines Inc				3,423,980	5	0 80%
Kenner Hotel Ltd Partnership				2,283,010	8	0 60%
Sterik Company				2,200,000	9	0 50%
United Airlines				2,185,630	10	0 50%
Totals	<u>\$56,860,604</u>		<u>34 69%</u>	<u>\$42,930,386</u>		<u>9 90%</u>

Source City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 9 -- PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected (or Adjusted) within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 5,816,207	\$ 5,587,414	96 07%	\$ 115,132	\$ 5,702,546	98 05%
2004	9,042,453	8,675,012	95 94%	190,636	8,865,648	98 04%
2005	9,118,769	8,781,235	96 30%	109,990	8,891,225	97 50%
2006	7,621,482	6,977,226	91 55%	489,107	7,466,333	97 96%
2007	7,778,454	7,536,507	96 89%	165,935	7,702,442	99 02%
2008	8,429,734	8,033,426	95 30%	157,583	8,191,009	97 17%
2009	8,418,398	7,954,419	94 49%	166,259	8,120,678	96 46%
2010	8,483,637	8,141,338	95 97%	159,733	8,301,071	97 85%
2011	8,314,639	7,974,603	95 91%	101,847	8,076,450	97 14%
2012	8,449,463	8,134,682	96 27%	N/A	8,134,682	96 27%

Source City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 10 – RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities									Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Indebtedness	LCDA Revenue Bonds	LDEQ Taxable Bonds	Notes Payable	Sewer Revenue Bonds	Capital Lease Obligations	Other Obligations	Mortgage Payable			
2003	\$ 506,042	\$ 46,414,026	\$ 8,240,000	\$ 22,345,146	\$ -	\$ 2,819,769	\$ -	\$ 292,289	\$ -	\$ 14,364	\$80,631,636	3.86%	1,143
2004	257,869	43,878,803	7,305,000	21,084,981	-	2,778,934	-	209,185	-	11,465	75,526,237	3.39%	1,071
2005	-	41,025,198	6,315,000	19,926,077	-	2,735,204	-	120,184	-	8,271	70,129,934	3.27%	998
2006	-	37,345,000	5,260,000	18,475,000	-	2,688,403	-	24,867	-	4,751	63,798,021	3.60%	913
2007	-	34,650,000	4,145,000	17,240,000	-	2,638,251	-	-	-	872	58,674,123	3.94%	881
2008	-	31,830,000	2,965,000	15,945,000	-	2,584,508	-	-	-	-	53,324,508	3.66%	818
2009	-	28,925,000	1,715,000	14,595,000	-	2,527,025	-	-	-	-	47,762,025	3.06%	729
2010	-	25,945,000	200,000	13,205,000	2,150,621	2,465,430	-	-	-	-	43,966,051	2.73%	648
2011	-	23,262,062	200,000	11,858,593	10,609,808	2,399,465	-	-	-	-	48,329,928	3.05%	725
2012	-	20,008,776	-	10,346,622	13,194,761	2,328,787	16,185,621	-	-	-	62,064,567	3.73%	930

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (2) Loan payable to Jefferson Parish.

CITY OF KENNER, LOUISIANA
SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Debt Service Monies Available	Net General Obligation Bonds Outstanding		
2003	\$ 510,000	\$ 170,992	\$ 339,008	0.01%	4.81
2004	260,000	126,956	133,044	0.00%	1.89
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-

Note Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See Schedule 8 for property value data

(2) Population data can be found in Schedule 15

CITY OF KENNER, LOUISIANA
SCHEDULE 12 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 9,340,000	17.55%	\$ 1,639,170
Jefferson Parish Public School System	\$ 165,239,000	14.25%	<u>23,546,558</u>
Subtotal, overlapping debt			25,185,728
City direct debt			<u>61,503,548</u>
Total direct and overlapping debt			<u><u>\$ 86,689,276</u></u>

Sources Assessed value data used to estimate applicable percentages provided by Jefferson Parish Debt outstanding data provided by each governmental unit

Note Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF KENNER, LOUISIANA
SCHEDULE 13 -- LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 144,708,253	\$ 151,463,225	\$ 151,463,225	\$ 142,414,138	\$ 144,588,450	\$ 155,948,658	\$ 199,702,228	\$ 200,740,573	\$ 197,441,907	\$ 199,506,364
Total net debt applicable to limit	32,395,307	5,908,911	4,739,322	3,642,404	2,471,122	1,884,798	608,953	-	-	-
Legal debt margin	<u>\$ 112,312,946</u>	<u>\$ 145,554,314</u>	<u>\$ 146,723,903</u>	<u>\$ 138,771,734</u>	<u>\$ 142,117,328</u>	<u>\$ 154,063,860</u>	<u>\$ 199,093,275</u>	<u>\$ 200,740,573</u>	<u>\$ 197,441,907</u>	<u>\$ 199,506,364</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>22.39%</u>	<u>3.90%</u>	<u>3.13%</u>	<u>2.56%</u>	<u>1.71%</u>	<u>1.21%</u>	<u>0.30%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Legal Debt Margin Calculation for Fiscal Year 2012	
Assessed value	<u>\$ 570,018,184</u>
Debt limit -- 35% of assessed value	199,506,364
General obligation and excess revenue bonds	\$ -
Less amount available for repayment of general obligation and excess revenue bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 199,506,364</u>

Note: Louisiana R.S. 39:562 allows for a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes.

CITY OF KENNER, LOUISIANA
SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE
LAST FIVE FISCAL YEARS
(Unaudited)

Fiscal Year	Sales Tax Bonds			
	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
2008	\$ 13,763,729	\$ 2,820,000	\$ 1,232,264	3 40
2009	12,247,404	2,905,000	1,117,164	3 04
2010	11,211,927	2,980,000	1,039,916	2 79
2011	11,798,565	3,075,000	954,489	2 93
2012	11,023,249	3,165,000	865,021	2 74

NOTES Details regarding the city's outstanding debt can be found in the notes to the financial statements. Certain information for prior periods is not shown since it was not previously maintained by the City.

CITY OF KENNER, LOUISIANA
SCHEDULE 15 -- DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) (4) Per Capita Personal Income	(3) Unemployment Rate
2003	\$ 70,517	\$ 2,088,219,921	\$ 30,532	4 9%
2004	70,517	2,227,279,445	31,867	4 1%
2005	70,252	2,142,896,756	25,333	5 4%
2006	69,911	1,771,055,363	25,333	5 7%
2007	66,592	1,487,332,320	22,335	4 9%
2008	65,202	1,456,286,670	22,335	4 6%
2009	65,527	1,558,363,114	23,782	7 3%
2010	67,842	1,613,418,444	23,782	8 1%
2011	66,702	1,586,306,964	23,782	8 0%
2012	66,715	1,663,338,380	24,932	8 7%

- (1) Source U S Census Bureau 2000 Census for 2003-2004, U S Census Bureau 2004 Population Estimate for 2005, U S Census Bureau 2005 Population Estimate for 2006, U S Census Bureau 2006-2008 American Community Survey Estimate for 2007-2010 Except for 2003-2010, the figures represent the City's population for the preceding calendar year
- (2) Source Bureau of Economic Analysis, U S Department of Commerce Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality
- (3) Source Louisiana Department of Labor, Research and Statistical Division for calendar years Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality
- (4) 2005 figure used for 2005 and 2006, 2007 figure used for 2007 and 2008, 2009 figure used for 2009, 2010, and 2011

CITY OF KENNER, LOUISIANA
SCHEDULE 16 -- PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	<u>June 30, 2012</u>			<u>June 30, 2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Treasure Chest Casino LLC	760	1	2 27%	**		
Ochsner Medical Center	700	2	2 09%			
City of Kenner	612	3	1 83%			
Cross Road Centers	600	4	1 79%			
Wal-Mart Stores Inc	515	5	1 54%			
Pellerin Milnor Corp	454	6	1 36%			
Fleming Construction Co	215	7	0 64%			
Macy's Inc	200	8	0 60%			
Chateau Living Center	200	9	0 60%			
Delta Airlines	200	10	0 60%			
Total	<u>4,456</u>		<u>13 30%</u>	<u>-</u>		<u>0 00%</u>

** Certain information for prior periods is not shown since it was not previously maintained by the City

Source JEDCO, EDS Department

CITY OF KENNER, LOUISIANA
SCHEDULE 17 – FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Full-time Equivalent Employees as of June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	75	73	77	69	86	86	83	96	92	87
Public safety	381	411	382	344	356	364	354	331	332	324
Public works	158	154	168	101	99	108	114	73	72	72
Health and welfare	58	52	52	50	30	23	20	61	53	36
Culture and recreation	81	75	82	106	126	135	134	78	69	78
Transit and urban development	24	30	29	26	30	27	32	16	13	15
Miscellaneous										
Total	777	795	790	696	727	743	737	655	631	612

Source City of Kenner payroll department

CITY OF KENNER, LOUISIANA
SCHEDULE 18 -- OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Police				
Physical arrests	6,812	8,815	9,393	8,990
Parking violations	750	467	449	496
Traffic violations	14,391	17,692	20,242	26,201
Fire				
Emergency responses	3,705	3,588	3,454	2,555
Fires extinguished	191	137	186	120
Refuse collection				
Refuse collected (tons per day)	150	160	160	168
Recyclables collected (tons per month)	N/A	N/A	N/A	N/A
Other public works				
Street resurfacing (sq ft)	26,000	8,000	488,735	117,972
Potholes repaired	91	163	130	484
Wastewater				
Average daily sewage treatment (mil per day)	11 0	12 2	10 7	10 7

** Certain information for prior periods is not shown since it was not previously maintained by the City

Source City of Kenner Finance Department
Information available for four years

CITY OF KENNER, LOUISIANA
SCHEDULE 19 -- CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	**	**	**	**	**	180	221	204	201	204
Fire										
Stations	5	6	6	6	6	6	6	6	6	6
Pieces of equipment	19	20	21	21	21	21	23	23	23	21
Water										
Water mains (miles)	**	**	**	**	**	**	**	264	264	264
Fire hydrants	**	**	**	**	**	**	3,996	2,919	2,911	2,915
Storage capacity (thousands of gallons)	**	**	**	**	**	**	**	**	**	**
Other public works										
Streets (miles)	**	**	**	212	212	396	396	300	300	300
(I) Highways (miles)	**	**	**	**	**	**	**	10	10	10
Bridges	**	**	**	16	27	27	27	33	33	33
Streetlights	6,997	6,987	6,987	6,987	6,987	6,992	6,992	6,992	6,992	6,992
Traffic signals	**	**	**	**	**	18	19	19	19	19
Health and welfare	**	**	**	**	**	**	**	**	**	**
Culture and recreation										
Parks	3	3	3	3	3	3	3	3	3	4
Playgrounds	11	11	11	11	11	11	12	12	12	11
Art Galleries and Museums	8	10	10	10	10	10	10	6	6	7
Gymnasiums	10	10	10	10	10	10	11	11	11	10
Wastewater										
Sanitary and storm sewers (miles)	**	**	**	905	905	905	905	905	905	905
Treatment plants	2	2	2	2	2	1	1	1	1	1
Low-lift stations	79	76	77	77	77	79	79	79	79	79
Treatment capacity	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	11,288 MGD

Source: City of Kenner finance department

** Certain information for prior periods is not shown since it was not previously maintained by the City

(I) Highways are maintained by the State

For the items not recorded, information was not accumulated in those years

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(1921-1999)

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

January 7, 2013

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the City of Kenner, Louisiana's basic financial statements and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of City of Kenner, Louisiana is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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SINGLE AUDIT

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 7, 2013

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

Compliance

We have audited the compliance of City of Kenner, Louisiana with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of City of Kenner, Louisiana's major federal programs for the year ended June 30, 2012. City of Kenner, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Kenner, Louisiana's management. Our responsibility is to express an opinion on City of Kenner, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Kenner, Louisiana's compliance with those requirements.

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In our opinion, City of Kenner, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012

Internal Control Over Compliance

Management of City of Kenner, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

**CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT</u>	<u>2012 FEDERAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs			
Community Development Block Grant	14 218	B-09-MC-22-0008	221,709
Community Development Block Grant	14 218	B-10-MC-22-2008	668,933
ARRA - Community Development Block Grant Recovery*	14 253	B-09-MY 22-0008	47,363
			<u>938,005</u>
Passed through Jefferson Parish			
Louisiana Disaster Recovery Program*	14 253	55-00010720	2,630,543
Home Investment Partnership Program (HOME)	14 239	Unavailable	397,740
			<u>3,028,283</u>
ARRA-Homelessness Prevention and Rapid Re-Housing	14 257	CFMS#685496	183,282
Emergency Shelter Grants Program	14 231	CFMS#679225	22,270
			<u>205,552</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>4,171,840</u>
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Assistance Grant Program			
Direct	16 738	2009-DJ BX-0748	17,244
	16 738	2010-DJ-BX-1359	7,683
Passed Through Louisiana Commission Law Enforcement			
Street Sales Disruption	16 738	B-10-7-009	12,873
			<u>37,800</u>
Passed Through Louisiana Commission Law Enforcement			
Municipal Narcotics Task Force Grant	16 579	B-08-7-001	13,648
Crime Victim Assistance Program	16 575	C 10-7-021	14,953
Crime Victim Assistance Program	16 575	C 11-7-020	11,110
			<u>39,711</u>
Direct			
ARRA-Public Safety Partnership and Community			
Policing Grant*	16 710	2009-RK WX-0384	368,445
Bulletproof Vest Partnership Grant Program	16 607	Unavailable	5,226
			<u>373,671</u>
TOTAL DEPARTMENT OF JUSTICE			<u>451,182</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance - Katrina	97 036	1603-DR-LA	285,740
Disaster Grants - Public Assistance - Gustav	97 036	1786-DR LA	10,458
Disaster Grants - Public Assistance - Lee	97 036	4041 DR LA	27,315
			<u>323,513</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>323,513</u>
DEPARTMENT OF ENERGY			
Direct			
ARRA - Energy Efficiency and Conservation Block*	81 128	DE SC0002102	375,403
TOTAL DEPARTMENT OF ENERGY			<u>375,403</u>
DEPARTMENT OF TRANSPORTATION			
Passed Through the Regional Transit Authority			
Operating Assistance	20 507	LA-90-X038	178,213
Passed Through the Louisiana Department of Culture Recreation & Tourism			
Recreational Trails Program	20 219	745-26-0008	34,710

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT</u>	<u>2012 FEDERAL EXPENDITURES</u>
Passed Through Louisiana Department of Public Safety and Corrections			
Federal Aid Projects*	20 205	H006526	533 852
Federal Aid Projects*	20 205	STP-2605(507)	<u>1,177,012</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>1,923,787</u>
ENVIRONMENTAL PROTECTION AGENCY			
Passed Through the UNO Research & Technology Foundation			
Wastewater Effluent Discharge and Labranche Wetlands Restoration Project	66 125	EM-96664201	75 000
Wastewater Effluent Discharge and Labranche Wetlands Restoration Project	66 125	EM-96664502	<u>35,000</u>
			<u>110,000</u>
Passed Through the Louisiana Department of Environmental Quality			
Loan from Louisiana Municipal Revolving Loan Fund*	66 458	Unavailable	3 426 001
Loan from Louisiana Municipal Revolving Loan Fund*	66 458	Unavailable	<u>177,952</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>3,713,953</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 10,959,678</u>

- * This program is considered a "major" program under OMB Circular A-133

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule

CITY OF KENNER, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES
JUNE 30, 2012

NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

- 1 **Department of Housing and Urban Development**
ARRA- Community Block Development Grant
Louisiana Disaster Recovery Program
- 2 **Department Energy**
ARRA – Energy Efficiency and Conservation Block
- 3 **Department of Justice**
ARRA – Public Safety Partnership and Community Policing Grant
- 4 **Environmental Protection Agency**
Municipal Revolving Loan
- 5 **Department of Transportation and Development**
Federal Aid Project

NOTE B - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2012.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

2 **Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF AUDITOR'S RESULTS

- 1 The auditor's report expresses an unqualified opinion on the financial statements of the City of Kenner, Louisiana
- 2 No control deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*
- 3 No instances of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit
- 4 No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*
- 5 The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expresses an unqualified opinion on all major federal programs
- 6 The audit disclosed no findings which are required to be reported by OMB Circular A-133
- 7 The programs tested as major programs include

CFDA Number/Grant Number

Federal Aid Project	20 205
ARRA – Energy Efficiency and Conservation Block	81 128
ARRA – Community Block Grant Recovery	14 253
Louisiana Disaster Recovery Program	14 253
ARRA – Public Safety Partnership and Community Policing Program	16 710
Municipal Revolving Loan Fund	66 458

- 8 The threshold for distinguishing Types A and B programs was \$328,790
- 9 City of Kenner, Louisiana qualified as a low-risk auditee

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Compliance

No findings noted

Internal Control

No findings noted

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings noted

**CITY OF KENNER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

A. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

No prior year audit findings